UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/52/15 (Part I)
29 October 1997

ORIGINAL: ENGLISH

Fifty-second session

REPORT OF THE TRADE AND DEVELOPMENT BOARD*

Fifteenth executive session

* The present document is an advance version of the report of the Board on its fifteenth executive session. It will be issued in final form in Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

97-28810 (E) 041197 051197

CONTENTS

Chapter		Paragraphs	Page
	INTRODUCTION	1	4
I.	MATTERS REQUIRING ACTION BY THE BOARD IN FOLLOW-UP TO THE NINTH SESSION OF THE CONFERENCE AND ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES (agenda item 2)	2 - 41	5
	(a) Reports of the Commissions on their first sessions	2 - 22	5
	(b) Report of the Working Party on the Medium-term Plan and Programme Budget on its twenty-ninth session	23 - 29	11
	(c) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development	30 - 37	12
	(d) Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa	38 - 41	13
II.	OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (agenda item 3)	42 - 51	15
	(a) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session	42 - 49	15
	(b) Report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session	50 - 51	16
III.	INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 4)	52 - 58	17
	(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board	52	17
	(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board	53 - 58	17
IV.	OTHER BUSINESS (agenda item 5)	59 - 72	19
	(a) Adoption of the Technical Cooperation Strategy of UNCTAD	59 - 66	19
	(b) UNCTAD publications policy	67	20

CONTENTS (continued)

Chapter		Paragraphs	Page
	(c) Designation of the President and Bureau of the forty-fourth session of the Trade and Development Board	68 - 70	20
	(d) Communication from the United Kingdom	71	21
	(e) Regional Symposium for Africa - International Investment Arrangements: The Development Dimension	72	21
V.	ORGANIZATIONAL MATTERS	73 - 76	22
	(a) Opening of the session	73	22
	(b) Bureau of the fifteenth executive session	74	22
	(c) Adoption of the agenda (agenda item 1)	75	22
	(d) Report of the Board on its fifteenth executive session (agenda item 6)	76	22

Annexes

I.	Agenda for the fifteenth executive session of the Trade and Development Board	23
II.	Statement by the Secretary-General of UNCTAD on preparations for a meeting with actors in development (agenda item 2 (c))	24
III.	Regional Symposium for Africa - International Investment Arrangements: The Development Dimension Message from Fez	30
IV.	Statement by the UNCTAD Senior Legal Advisor on non-governmental organizations (agenda item 4 (b))	31
V.	Attendance	32

INTRODUCTION

1. The fifteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 27 June 1997. The executive session consisted of two meetings - the 884th and 885th plenary meetings of the Board. The agenda of the fifteenth executive session is reproduced in annex I below.

Chapter I

MATTERS REQUIRING ACTION BY THE BOARD IN FOLLOW-UP TO THE NINTH SESSION OF THE CONFERENCE AND ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES

(Agenda item 2)

(a) Reports of the Commissions on their first sessions

(i) Report of the Commission on Trade in Goods and Services, and Commodities on its first session (6-8 November 1996 and 19-21 February 1997)

Action by the Board

2. The Board took note of the report of the Commission on Trade in Goods and Services, and Commodities on its first session (TD/B/44/5-TD/B/COM.1/6) and endorsed the two agreed conclusions in annex I of the report.

(ii) Report of the Commission on Investment, Technology and Related Financial Issues on its first session (18-22 November 1996 and 7 February 1997)

Action by the Board

3. The Board took note of the report of the Commission on Investment, Technology and Related Financial Issues on its first session (TD/B/44/5-TD/B/COM.2/4) and endorsed the agreed conclusions in annex I, on the understanding that the question of the status of the Expert Meeting on Competition Law and Policy and of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) and their relationship with the other expert meetings of the Commission are still the subject of further consultations by the President of the Board.

Statements made in connection with the report of Commission 2

4. The spokesman for the **Latin American and Caribbean Group** (Mexico), referring to the juridical status of the Expert Meeting on Competition Law and Policy and of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) in the wake of the Midrand restructuring of UNCTAD's intergovernmental machinery, stated that the Latin American and Caribbean Group had taken due note of the President's decision to invite a member of the Bureau to resume informal consultations, open to all interested delegations, to consider the legal situation of the two expert groups. He requested that the consultations should take as their basis the opinion handed down by the United Nations Legal Counsel, dated 29 May 1997. The position of the Latin American and Caribbean Group was that the above-mentioned expert groups continued to exist in the framework of the intergovernmental machinery of UNCTAD, that their juridical identity was different to that of the expert meetings provided for in paragraph 114 of the Midrand final document, and that they were not subject to the agreed limit on

the annual establishment of a maximum of 10 expert meetings by the Board's Commissions.

5. The representative of **Brazil** endorsed the statement by the spokesman for the Latin American and Caribbean Group. He too felt that it was important to ensure that the proposed consultations were open-ended and that they should take full account of the opinion given by the United Nations Legal Counsel on the status of the two expert groups.

6. The representative of **China** expressed his delegation's support for the Latin American and Caribbean Group position on this issue. The authority for the President to hold consultations on the status of the two expert groups derived from the agreed conclusions adopted at the first session of Commission 2. With particular reference to ISAR, he recalled that this Group had been established by the Economic and Social Council and the General Assembly. Moreover, ISAR was specifically mentioned in the Midrand final document. He therefore considered that ISAR should continue to exist with its original status intact. He welcomed the proposed informal consultations.

7. The representative of **The Netherlands**, speaking on behalf of the **European Union**, observed that the problem of the exact status of the two expert groups was blocking progress in the respective areas of UNCTAD's work. He therefore welcomed the forthcoming consultations. In this connection, he stated that the presidency of the European Union would pass to another member country as from 30 June 1997 but that, in order to ensure continuity on this particular question, the European Union would be represented in the consultations by both the current and the incoming coordinators.

8. The spokesman for the **African Group** (Morocco) said that his Group strongly supported the continued existence of the two expert groups. He looked forward to the informal consultations and requested that other regional groups should be allowed to be represented by two coordinators if they so wished.

9. Referring to the procedural aspects of the forthcoming consultations, the representative of **Pakistan** urged the Vice-President who would be holding the consultations to be as flexible as possible in inviting participants. While he recognized that too many participants might complicate matters, he felt that a flexible approach on participation would make for greater progress.

(iii) Report of the Commission on Enterprise, Business Facilitation and Development on its first session (20-24 January 1997)

Action by the Board

10. The Board took note of the report of the Commission on Enterprise, Business Facilitation and Development on its first session (TD/B/44/2-TD/B/COM.3/4) and endorsed the agreed conclusions in annex I and II of the report.

(iv) Debate on the functioning of the new intergovernmental machinery of UNCTAD, in particular the Commissions and the Expert Meetings, since UNCTAD IX

11. The Secretary-General of UNCTAD observed that the experience gained so far from the first round of the Commissions was not sufficient for drawing hard-and-fast conclusions as to how the machinery established in UNCTAD was functioning. The information available at the moment was incomplete and might offer only partial perspectives that would not enable the Board to reach sound conclusions or pass judgement on the performance of the Commissions. He had been receiving valuable advice and written comments in response to his request for assessments of the functioning of UNCTAD's intergovernmental machinery, which had inspired him to propose a methodology that would allow the Board time to have a fruitful debate on this matter. The methodology in question had the following elements:

(a) All the Chairpersons should be requested to provide their own evaluations of their experiences in conducting the work of their Commission or expert group, and to seek from them suggestions for improvement or changes in the approaches adopted.

(b) An attempt at a rational and intelligent assessment of the expert groups should be made by taking into account responses to a questionnaire that the secretariat was preparing for the experts on their own personal assessment. Through networking and contacts the secretariat would try to elicit the necessary information and to ensure that in future each expert meeting would have before it a questionnaire on all relevant aspects of the work undertaken. The views of experts and delegations, supported by statistical analysis, would be sought on broad issues, such as balance in the distribution of experts, choice of subjects covered, the organization of meetings and panels, whether the subjects discussed had been exhausted or needed follow-up, and the nature of conclusions, recommendations and outcomes.

(c) Once the secretariat had collected such information - in addition to that which it already had in its possession - it would be possible to have a meaningful discussion that would take into account the lessons learnt. This could be effected through an informal process leading to the mid-term review and/or in discussions at an executive session of the Board, but it should be a gradual process of assessment supported by written contributions in accordance with the methodology he had suggested.

12. The **Chairman of the Commission on Trade in Goods and Services, and Commodities** (France) observed that the discussions during the first session of Commission 1 had been marked by an altogether excessive attention to procedural matters, especially regarding the choice of themes to be assigned to the Expert Meetings. As a result, the themes had at times been over-refined, imperfectly linked to the agenda of the second session of the Commission, and not always of obvious relevance to the future needs and work of UNCTAD. The substantive debate had on the whole been disappointing, being inconclusive and unlikely to contribute to policy-making in the member

countries. No doubt the agenda items had been too general, and this in turn had meant that the delegations had not always included experts who might have engaged in a more fruitful debate. He felt that if the Commissions were to function in a "closed circuit" whereby they were mainly concerned with organizing their future work, considerable harm would be done to the capacity of the new intergovernmental machinery to fulfil the mandate given to it at UNCTAD IX. Major changes were thus both necessary and urgent.

13. At the same time, the first round of Expert Meetings had been the scene of interesting discussions and had for the most part been spared from political or procedural considerations. They had put forward interesting ideas and suggested work which UNCTAD could undertake in future. It was now essential to make the best use of their suggestions.

14. With a view to perfecting the functioning of the Commissions and ensuring that they articulated properly with the Expert Meetings and the Board, he outlined for consideration the following objectives and tentative solutions:

(a) The substantive agenda items should relate to more specific and more topical questions that were likely to attract economic policy experts.

(b) Recourse should continue to be had to panels, with external experts making presentations of experiences and concrete situations that were specific and fairly technical. At the same time, care should be taken to organize a satisfactory link and interaction with the traditional intergovernmental debate.

(c) It was essential that the Commissions should derive maximum benefit from the Expert Meetings and that they should use this "asset" in selecting themes for the following Meetings. In this regard, each Commission might do well to take account of relevant outcomes of Expert Meetings other than its own. It would be disastrous for a Commission to give the impression that it was not making use of the work of Expert Meetings which it had itself convened: one could well imagine the deterrent effect this would have on participation of experts in those Meetings.

(d) One should try to devise themes for Expert Meetings that were simple, precise and relevant, and which corresponded to the development needs of member States, with a view to attracting high-level experts.

(e) Reasonable, but judicious and effective, use should be made of preliminary consultations and secretariat documents in the preparatory process for intergovernmental meetings.

(f) The managerial prerogatives of the Bureau of the Board, meeting in non-extended session, should be preserved.

(g) An attempt should be made to establish a degree of coherence between the substantive sessions of the Board and the sessions of the Commissions, to enable the expertise of the Expert Meetings to find its way up to the Board and, inversely, to allow the

Commissions to take due account of the deliberations of the Board.

15. The **Chairman of the Commission on Enterprise, Business Facilitation and Development** (Costa Rica) said that the debate in Commission 3 had been fast-moving and to the point. The themes had been well chosen and had retained the interest of the participants. He wished, however, to mention two aspects in which there was room for improvement:

(a) Regarding the work of the panels, while the individual contributions had been of a high level and interesting, there was a general problem with the time taken up by the panels, which had been long when compared with the time available for the intergovernmental debate. Furthermore, the work of the Commissions could be enriched if, following the panel, an analysis could be made of the contents of the panellists' discussions.

(b) As for the presentations themselves, all of them had been pitched at a high technical level and had provided interesting and useful information for countries that did not have expertise in the subject under discussion. But the outcome of the Commission could have been more fruitful if a greater number of specialists from national capitals had been able to participate in the panel discussions. This need should be taken into account in the organization of future sessions of the Commissions.

16. The representative of **Switzerland** said his delegation shared the view of the Chairman of Commission 1 that the functioning of the new intergovernmental machinery did present certain difficulties. While there were differences in the performance of the three Commissions, he observed that the UNCTAD machinery was beset by a systemic problem, namely that of functioning in a closed circuit. In a formal sense, the Commissions had indeed functioned and at times even achieved results of some substance, but he felt that the spirit of Midrand was somehow missing. The innovations adopted at UNCTAD IX aimed to ensure that the Board, the Commissions and the subsidiary bodies of the Commissions would function as a living body, interacting in such a way as to achieve a constant regeneration of the substantive work, based on direct contact with the realities of the outside world. His delegation would therefore examine with great interest the proposals made by the Chairman of Commission 1.

17. Regarding the reports of the Commissions, he pointed out that a new situation would occur towards the end of 1997 with the convening of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development (UNCTAD/WTO). Therefore, the programme elements set forth in the reports of the Commissions should take full account of the outcome of the High-level Meeting, and it would be appropriate for the Board to give practical instructions to its Commissions in this respect.

18. The representative of **The Netherlands**, speaking on behalf of the **European Union**, considered that there were two issues at hand with regard to the functioning of the new intergovernmental machinery. The first was basically a matter of substance: was the substantive work done by the Commissions and the Expert Meetings sufficiently relevant to, and in line

with, the overall mandate given to UNCTAD at the ninth session of the Conference? This aspect might indeed involve a discussion for which the Board was not yet ready, and its consideration should perhaps be deferred until the mid-term review, i.e. after the convening of the second sessions of the Commissions. The second issue was that of the functioning of the machinery, including the interface between the Expert Meetings and the Commissions, as well as among the three Commissions themselves, and between the latter and the Board. In the view of the European Union, a debate on this aspect did appear to be urgent and could not wait until the mid-term review, since there was a need to clarify how the results of the Expert Meetings held so far would be fed into the second sessions of the Commissions. It would also be necessary to make sure that the Commissions devoted their time to policy debates rather than to procedural discussions. In this endeavour, the secretariat should assume a proactive preparatory role.

19. The representative of **Norway** agreed with the European Union view that the functional aspects of the new intergovernmental machinery could be examined already, without waiting for the mid-term review. He also agreed very much with the assessment and the seven proposals for improvement just outlined by the Chairman of Committee 1, which were clear and highly relevant. Commenting on the third proposal - namely, the need for the Commissions to ensure that they derived the utmost benefit from the work of the Expert Meetings - he emphasized his delegation's view that the Expert Meetings must be truly expert in terms of their participation. Although the experts might be nominated by their governments, they were expected to participate in their personal expert capacity and not as national representatives. It was at a later stage, when the Commissions came to consider the reports of the Expert Meetings, that government representatives could rightly voice their views on the work and outcomes of the Meetings. It was not the role of government representatives to take over the Expert Meetings, especially at the stage when they were drawing up their recommendations or conclusions, but rather to observe and learn.

20. The spokesman for the **African Group** (Morocco) expressed the view that it was not possible to isolate from each other the substantive and the functional components of the intergovernmental machinery. Moreover, the African Group had not come prepared for an in-depth discussion of the machinery at this session of the Board. His Group would prefer to wait until after the second sessions of the Commissions before engaging in a review and assessment of the new mechanisms. He therefore supported the methodology proposed by the Secretary-General of UNCTAD.

21. The representative of **South Africa** expressed agreement with the observations made by other delegations on this item. Although undoubtedly more time was needed before a full assessment could be made of the workings of the new machinery, he recalled the general consensus at UNCTAD IX that the intergovernmental machinery then in place had not been functioning well and that urgent reform was necessary. There had been a growing awareness in recent weeks that problems remained - an awareness that was reflected in the questionnaire sent out by the Secretary-General of UNCTAD. In his delegation's view, the UNCTAD membership should already be engaged in an informal process of fine tuning.

22. The representative of **Turkey** agreed that it was still necessary to consider how to improve the working methods in UNCTAD. She felt that

procedural matters had taken up too much time in formal meetings. As yet, there were no guidelines on the manner of interaction between the Commissions and their Expert Meetings or on the lines of reporting and follow-up. Finally, she considered that the substantive outcome of the Commissions had so far been fairly meagre and general. Her delegation had hoped that the specialists participating in the panels would generate a lively exchange among delegations, but the setting had proved rather too formal to allow for such interaction.

(b) Report of the Working Party on the Medium-term Plan and Programme Budget on its twenty-ninth session (16-17 January and 21-23 May 1997)

23. The **Chairman of the Working Party at its twenty-ninth session** (Norway), reporting orally on the outcome of the twenty-ninth session, outlined the main agreed conclusions and the discussions that had taken place during the session. He expressed his satisfaction that, while there had been a number of comments from the member States on specific items or issues, the Working Party had agreed that the proposed programme budget provided an adequate basis for UNCTAD to carry out its mandate. The text of the agreed conclusions and the Chairman's summary of the discussion were available to the Board (cf TD/B/WP/L.77). He alluded to the difficulties he had faced owing to the short time available and the divergent views among member States on several issues. Finally, he reported that the agreed conclusions and the Chairman's summary had been transmitted to the respective Chairmen of the ACABQ and the CPC.

24. The **Deputy Secretary-General of UNCTAD** informed the Board of the discussions in the ACABQ and the CPC, respectively on 23 and 25 June 1997, on the UNCTAD section of the proposed programme budget. In both Committees, a number of member States had supported the reform process of UNCTAD and the main points of the agreed conclusions of the Working Party. It had also been suggested that the Working Party could come back later to the issue of publications policy and to review the list of publications. The UNCTAD secretariat had made several clarifications in the Committees, such as on the comparison of the intergovernmental machinery before and after Midrand, the consistency between the reduction in resources and the streamlining of mandates at Midrand, the wealth of information provided on publications, the fact that the island and landlocked developing countries had become a cross-cutting issue while not being accorded less importance, and that the posts provided by the General Assembly on the issue of small island States would be retained.

25. The spokesman for the **Latin American and Caribbean Group** (Mexico), referring to the report on the outcome of the Working Party and the Chairman's oral report, observed that the Working Party had not come up with substantive agreements except on the issue of LDCs, which his Group supported. Specifically, he regretted that the Working Party had not been able to agree to reallocate savings to finance the participation of experts from developing countries to the expert meetings. He added that this position enjoyed the full support of the African and Asian Groups.

26. The representative of **The Netherlands**, speaking on behalf of the **European Union**, thanked the Chairman of the Working Party for his efforts. He asked for clarification on how the outcome of the Working Party had been presented to the ACABQ and CPC.

27. The representative of the **United States of America** thanked the Chairman of the Working Party for his effort under the difficult circumstances, and expressed his disagreement with the views expressed by the spokesman for the Latin American and Caribbean Group.

28. The **Deputy Secretary-General of UNCTAD** explained that the document containing the outcome had been circulated to the members of both the ACABQ and the CPC and introduced by the respective Chairman to the meeting. It had then been up to each member State to pick up any particular points during the meetings.

Action by the Board

29. The Board took note of the outcome of the twenty-ninth session of the Working Party on the Medium-term Plan and Programme Budget, which dealt mainly with the proposed programme budget for the biennium 1998-1999.[1/]

(c) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development

30. In accordance with the provisions of paragraph 118 of the Midrand final document, the **Secretary-General of UNCTAD** reported on the progress made on this item.[2/]

31. The representative of **The Netherlands**, speaking on behalf of the **European Union**, expressed appreciation for the statement made by the Secretary-General of UNCTAD. She commended the Secretary-General for his creative and innovative approach and said that the European Union would like to be briefed by the Secretary-General on further developments of this nature.

32. The representative of **Ethiopia** expressed his appreciation for the high-minded ideas put forward by the Secretary-General of UNCTAD. As a least developed country, Ethiopia lacked resources for investment and technology. It was thus important to ensure that globalization should not further marginalize the least developed countries but rather that it integrate them into the global economy. The topics suggested by the Secretary-General of UNCTAD should reflect the direct concerns of LDCs.

[1/] The agreed conclusions and Chairman's summary, adopted by the Working Party at the second part of its twenty-ninth session on 16 June 1997, were available in TD/B/WP/L.77. Subsequently, the full report of the Working Party on its twenty-ninth session was issued in TD/B/EX(15)/6-TD/B/WP/101.

[2/] For the statement by the Secretary-General of UNCTAD on preparations for a meeting with actors in development, see annex II.

33. The representative of **Madagascar** thanked the Secretary-General of UNCTAD for his concrete and action-oriented proposals. The lessons learned from the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries (Geneva, 23-25 June 1997) would contribute to the efforts made by the Secretary-General.

34. The representative of **Turkey** expressed appreciation to the Secretary-General of UNCTAD for his ideas. She felt that further consultations were needed to mobilize public awareness and that there was also a need to conduct consultations with organizations like the World Economic Forum, the United Nations Institute for Training and Research (UNITAR) and regional organizations. She expressed her satisfaction at the offer made by the Government of France to host the Conference in Lyon.

35. The representative of **Brazil** said he looked forward to the continued consultations with the Secretary-General on this matter. When one spoke of actors in development, that concept included the civil society, NGOs and the private sector. The question of environment should also be taken into account. In this context, he referred to the special session of the General Assembly (Rio+5) and the approval of an important document on development by the General Assembly at its resumed fifty-first session. Finally, he emphasized that the Partners for Development meeting should take into account the social dimension of development.

36. Responding to some of the questions, the **Secretary-General of UNCTAD** said that the briefing he had just given marked only the first step towards the Partners for Development meeting in Lyon. He explained that he had not been able to provide information to delegations on this matter earlier owing to the complicated legal aspects of integrating the civil society into the United Nations system. With regard to the choice of projects, he said that 90 per cent of them were ones that already existed, such as risk management.

Action by the Board

37. The Board took note of the statement made by the Secretary-General of UNCTAD [3] and of the comments made by delegations.

(d) Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa

38. Introducing the report of the Secretary-General of UNCTAD on this item (TD/B/EX(15)/2), the **UNCTAD Coordinator for Africa** recalled that the report had been prepared in response to paragraph 5 of Board agreed conclusions 436 (XLIII). The report aimed to present a comprehensive picture of UNCTAD's activities, in its areas of competence, in connection with the implementation of the UN-NADAF in the context of its analytical and policy development work, as well as in the area of technical cooperation and assistance to the African countries. A separate report would be submitted to the Board for its consideration of the item related to Africa at its

---

[3] *Idem.*

forty-fourth regular session, which would analyse the adjustment programmes undertaken in the African countries, reflect on recent performances, and assess medium-term prospects for export-led growth, taking into account recent trends in savings and investment in FDI, external debt burden and the possible impact of the HIPCs debt initiative. As requested by the Board at its forty-third session, a panel of high-level experts would be invited for an informal exchange with delegations.

39. The spokesman for the African Group (Morocco) expressed appreciation to the Secretary-General for the excellent manner in which he had followed up the agreed conclusions of the Board and welcomed the initiative of presenting a comprehensive report to the executive session. The African Group would like to see more detail provided in each area in order to better understand the full scope of UNCTAD's activities and he suggested that the document might be more prospective than descriptive in future. Regarding the Coordinated African Programme of Assistance on Services (CAPAS) initiative on trade in services, the African Group expressed its satisfaction and requested that similar initiatives be taken in the important area of investment. He called on donors to increase extra-budgetary resources to help UNCTAD carry out its assistance to African countries.

40. Responding to the spokesman for the African Group, the UNCTAD Coordinator for Africa welcomed the proposals for the improvement of the report. He confirmed that the UNCTAD initiative on trade was not limited to the new round of negotiations in services but that the Secretary-General of UNCTAD, in close cooperation with the Executive Secretary of the Economic Commission for Africa, had planned joint activities for the preparation of the second WTO Ministerial Conference to be held in 1998, including on issues related to trade and investment policy, trade and competition policy, transparency in government procurement and cooperation in organizing an Africa-wide conference preparatory to the Ministerial Conference.

Action by the Board

41. The Board took note of the "Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in Board agreed conclusions 436 (XLIII): Development in Africa" (TD/B/EX(15)/2) and of the comments made by the spokesman for the African Group.

Chapter II

OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

(Agenda item 3)

(a) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session (21-24 April 1997)

42. Introducing the report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session (ITC/AG(XXX)/164), the **Chairman of the Joint Advisory Group** H.E. Mr. N. Benjelloun-Touimi (Morocco) recalled that, at the opening session, the Secretary-General of UNCTAD and the representative of the Director-General of WTO had announced the extension of ITC's Executive Director for another three-year period, as confirmed by the Secretary-General of the United Nations.

43. In his statement to the Joint Advisory Group, ITC's Executive Director had reported that ITC's refocusing exercise had entered its final stages. The organization was more streamlined, had a clearer vision of its future orientation, and was now more capable of meeting the needs of client countries and regions for better focused and more efficient technical assistance. ITC's Global Trust Fund and its Consultative Committee were highly efficient mechanisms for funding ITC's programme activities, and voluntary contributions had increased.

44. The Chairman reported that the Joint Advisory Group had expressed its appreciation to the Executive Director for ITC's current reform process and refocusing, reaffirmed the importance of ITC's mandate and expressed appreciation for its valuable, practical and highly operational work. The Group had examined a review of ITC's technical cooperation activities in 1996 based on its annual report, made recommendations on its future work programme and reviewed ITC's activities in human resource development following the independent evaluation of the subprogramme in 1996 and a technical meeting convened to consider the evaluation report in November 1996. The Group had also expressed its satisfaction with the effective functioning of the Consultative Committee of the ITC Global Trust Fund.

45. Some Joint Advisory Group representatives had suggested that steps be taken to set up a supervisory committee to oversee ITC's work programme and priorities, while others had considered that this was neither needed nor appropriate. Following a review of the situation with delegations, the Chairman had agreed to convene open-ended consultations as needed and appropriate before the next Group meeting in 1998.

46. Finally, the Joint Advisory Group Chairman thanked the Governments of Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden and Switzerland for their announcements of confirmed or possible voluntary contributions to ITC during the JAG session.

47. The spokesman for the **Asian Group and China** (Singapore) thanked the Joint Advisory Group Chairman for his presentation and said that members of the Asian Group and China had joined the consensus in adopting the report in

a spirit of compromise. He drew attention to the observations made by the Asian Group and China in its statement to the Group on several issues of interest and concern, for which support had been expressed by many other developing countries. ITC had taken note of these issues and the Group had been assured of follow-up action. He looked forward to the informal consultations which would be conducted by the Chairman of the Group during the course of the year and which would provide an occasion to obtain some of the information requested on the issues raised. In conclusion, he said that the concerns expressed in the statement by the Asian Group and China to the Joint Advisory Group were of vital interest to developing countries and the Group wished to reiterate the need for prompt action to address them.

48. Responding to the statement on behalf of the Asian Group and China, the Chairman of the Joint Advisory Group said that it had been agreed to organize the informal consultations as appropriate after the necessary preparation, and that it was his intention to do so as soon as possible.

Action by the Board

49. The Board took note of the report of the Joint Advisory Group on its thirtieth session (ITC/AG(XXX)/164) as circulated to the Board under cover of a note by the UNCTAD secretariat (TD/B/EX(15)/4).

(b) Report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session (2-6 December 1996)

Action by the Board

50. The Board took note of the report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session (TD/B/IGE.1/4) and endorsed the recommendation contained therein to propose to the United Nations General Assembly the convening of a diplomatic conference to consider and adopt a convention on arrest of ships.

51. In an answer to a question from the representative of Japan as to the timing of the proposed diplomatic conference, the representative of the UNCTAD secretariat stated that the recommendation of the Joint Intergovernmental Group of Experts, together with the decisions of the Board and the IMO Council, would be first submitted to the General Assembly of the United Nations. Upon approval by the General Assembly, a diplomatic Conference could be held during 1998.

Chapter III

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

(Agenda item 4)

Action by the Board

(a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

52. The Board took note that there were no new applications from intergovernmental organizations.

(b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

53. The Board approved the applications of two non-governmental organizations and decided, in accordance with the recommendation of the Secretary-General of UNCTAD and of the Bureau, to designate and classify them for the purposes of rule 77 of the rules of procedure and in accordance with paragraph 12 (b) of Board decision 43 (VII) as follows:

Special category: International Group of Protection and Indemnity Associations (TD/B/EX(15)/R.1/Add.1) to participate in the work of the Commission on Enterprise, Business Facilitation and Development; and the International Chromium Development Association (TD/B/EX(15)/R.1/Add.2) to participate in the work of the Commission on Trade in Goods and Services, and Commodities. These documents are now de-restricted.

54. The Board also agreed to the revised classification of in-status non-governmental organizations in the special category, as contained in annex II to document TD/B/EX(15)/3, thus bringing them into line with the post-Midrand intergovernmental machinery of UNCTAD.

55. The Board took note that, in the light of the adoption of Economic and Social Council resolution 1996/31 on relations between the United Nations and non-governmental organizations, the UNCTAD secretariat had prepared a revision of the arrangements for the participation of non-governmental organizations in the activities of UNCTAD, as contained in TD/B/EX(15)/3 and Corr.1. The Board decided to postpone its decision on this question until the nineteenth executive session of the Board.

56. Having heard the statement made by the UNCTAD Senior Legal Adviser in introducing the note by the secretariat,[4/] and in conformity with the recommendations made by the Board at its meeting on 27 June 1997, the Board took note of the secretariat note entitled "Non-governmental organizations participating in the activities of UNCTAD" (TD/B/EX(15)/3 and Corr.1) and

---

[4/] For the statement made on this question by the UNCTAD Senior Legal Adviser, see annex IV.

requested the UNCTAD secretariat to report to the Board at its nineteenth executive session on the implementation of Economic and Social Council resolution 1996/31 of 25 July 1996.

57. The Board also noted that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Governments concerned (South Africa, the United Kingdom and India), the Secretary-General had included in the Register of national non-governmental organizations the following three national non-governmental organizations: Land and Agriculture Policy Centre (LAPC), the Foundation for International Environmental Law and Development (FIELD), and Consumer Unity and Trust Society (CUTS). Background information on these organizations was before the Board in documents TD/B/EX(15)/L.1, L.2 and L.3.

58. The Board also took note of the following changes in names of organizations in status with UNCTAD: The Federation of European Rope and Twine Industries (EUROCORD), which had been granted status in the special category by the Board at the first part of its twenty-fourth session, was now the Federation of European Rope, Twine and Netting Industries, retaining the acronym EUROCORD; EDI World Institute, which had been granted status in the special category by the Board at the first part of its fortieth session, was now the Electronic Commerce World Institute.

Chapter IV

OTHER BUSINESS

(Agenda item 5)

(a) Adoption of the Technical Cooperation Strategy of UNCTAD

59. The **President of the Board** informed delegations that the consultations of the Secretary-General on this question had resulted in an agreement by member States to adopt the text of the Technical Cooperation Strategy of UNCTAD as contained in Part A of TD/B/EX(14)/3.

60. The spokesman for the **Latin American and Caribbean Group** (Mexico) expressed great appreciation and support for UNCTAD's technical cooperation activities that enhanced developing countries' capacity to participate in the international trading system. He noted with satisfaction the 12 per cent increase in extra-budgetary resources, in line with Midrand recommendations. He hoped this would reverse the unfavourable trend of recent years, in particular with respect to the Latin American and Caribbean area. He also requested that future reports provide more information on project activities, including joint technical cooperation with other organizations.

61. The representative of **Switzerland** expressed appreciation for the effort put into this work. He drew attention to paragraph 10 of the Strategy on cooperation with other organizations and requested that consideration should be given to the strengthening of the role played by countries members of UNCTAD in the conclusion of formal cooperation arrangements with other organizations. Any formal arrangements concerning the functioning of the Integrated Framework on Trade-related Technical Cooperation should be discussed with and endorsed by member States. This was especially valid with regard to the forthcoming High-level Meeting for LDCs to be held in October 1997.

62. The representative of the **Netherlands**, speaking on behalf of the **European Union**, underlined that the approval of the Strategy did not mean that it could not be modified in the light of experience, for example with respect to the integrated assistance to be provided in the framework of the High-level Meeting on LDCs. On the three-year rolling plan, he also expressed the wish to be able to review, at the October session of the Working Party, experience to date as well as the preparation of the 1998-2000 plan.

63. The representative of **Japan** welcomed the Strategy and requested clarification on evaluation procedures and on the intensification of coordination activities. He expected UNCTAD to contribute substantively to the LDC High-level Meeting.

64. The representative of **Norway** supported the statement made by Switzerland on the need to involve member States closely in the preparation of the

integrated framework for LDCs and requested more structured information with respect to the Plan.

65. The **Chief, Inter-organizational Affairs and Technical Cooperation**, responding to points raised, confirmed that the main focus of UNCTAD's technical cooperation was to help developing countries to integrate more effectively into the international economy. He suggested that the remarks regarding arrangements for a coordinated approach to the integrated framework for LDCs would need to be pursued in the appropriate context. The Technical Cooperation Strategy would need to evolve in the light of experience. Members of the Working Party would have the opportunity to consider the preparation of the rolling plan for 1998-2000 at the October 1997 session. He also explained arrangements for the evaluation of programmes and projects.

Action by the Board

66. The Board, acting on the agreement reached by member States in informal consultations, decided to adopt the text of the Technical Cooperation Strategy of UNCTAD contained in Part A of TD/B/EX(14)/3.[5/]

(b) UNCTAD publications policy

Action by the Board

67. In the light of the agreement reached in the informal consultations of the President on this subject, the Board decided, in accordance with paragraph 107 (a) of the Midrand final document, that it would scrutinize the UNCTAD publications policy at its sixteenth executive session, following prior consultations.

(c) Designation of the President and Bureau of the forty-fourth session of the Trade and Development Board

Action by the Board

68. In accordance with the nomination made by the coordinator for Group D, the Board designated H.E. Mr. Goce Petreski (The Former Yugoslav Republic of Macedonia) for the post of President of the Board at its forty-fourth session.

[5/] Text originally submitted to the Board at its fourteenth executive session on 24 March 1997.

69. The Board noted that the President had received the nominations of representatives of the following countries to membership of the Bureau:

Rapporteur:	Thailand
Vice-President:[1/]	Brazil
	Ireland
	Islamic Republic of Iran
	Jamaica
	Netherlands
	Norway
	Russian Federation
	United States of America

70. The President announced that he had been informed of the nomination of France for the post of Chairman of Sessional Committee I.

(d) Communication from the United Kingdom

71. The President drew attention to the communication circulated at the request of the United Kingdom of Great Britain and Northern Ireland concerning the question of international responsibility for Hong Kong (TD/B/EX(15)/7).

(e) Regional Symposium for Africa - International Investment Arrangements: The Development Dimension

72. Reporting on the Regional Symposium, held in Fez, Morocco, on 19–20 June 1997, the representative of **Morocco** read out the "Message" adopted by the participants in the Symposium and requested that the Message be included *in extenso* in the final report of the Board on its fifteenth executive session.[2/]

[1/] Two posts remain to be filled.

[2/] For the Message from Fez, see annex III.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

73. The fifteenth executive session of the Trade and Development Board was opened on 27 June 1997 by Mr. Patrick Sinyinza (Zambia), President of the Board.

B. Bureau of the fifteenth executive session

74. There being no change in the elected officers of the Bureau since the forty-third session, the Bureau of the Board at its fifteenth executive session was as follows:

President:	Mr. Patrick Sinyinza	(Zambia)
Vice-Presidents:	Mr. Anton Bebler	(Slovenia)
	Mr. Krit Garnjana-Goonchorn	(Thailand)
	Mrs. Arundhati Ghose	(India)
	Mr. Peter R. Jenkins	(United Kingdom)
	Mr. Andrei Kolossovsky	(Russian Federation)
	Mr. Alexander A. Kravetz	(El Salvador)
	Mr. Björn Skogmo	(Norway)
	Mr. Daniel L. Spiegel	(United States of America)
	Mr. Fisseha Yimer Aboye	(Ethiopia)
	Mr. Jun Yokota	(Japan)
Rapporteur:	Mrs. Violeta Fonseca de Sanabria	(Venezuela)

C. Adoption of the agenda

(Agenda item 1)

75. At its 884th meeting, on 27 June 1997, the Board adopted the provisional agenda for its fifteenth executive session, as circulated in TD/B/EX(15)/1. (For the agenda, see annex I below).

D. Report of the Board on its fifteenth executive session

(Agenda item 6)

76. In accordance with past practice, the Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its fifteenth executive session.

ANNEXES

Annex I

AGENDA FOR THE FIFTEENTH EXECUTIVE SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. Adoption of the agenda

2. Matters requiring action by the Board in follow-up to the ninth session of the Conference and arising from or related to reports and activities of its subsidiary and other bodies:

   (a) Reports of the Commissions on their first sessions

   (b) Report of the Working Party on the Medium-term Plan and Programme Budget on its twenty-ninth session

   (c) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development

   (d) Report of the Secretary-General of UNCTAD on the implementation of the proposals contained in the agreed conclusions 436 (XLIII): Development in Africa

3. Other matters in the field of trade and development:

   (a) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirtieth session

   (b) Report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects on its ninth session

4. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. Other business

   (a) Adoption of the Technical Cooperation Strategy of UNCTAD

   (b) UNCTAD publications policy

   (c) Designation of the President and Bureau of the forty-fourth session of the Trade and Development Board

   (d) Communication from the United Kingdom

   (e) Regional Symposium for Africa - International Investment Arrangements: The Development Dimension

6. Report of the Board on its fifteenth executive session.

Annex II

STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD ON PREPARATIONS FOR A MEETING WITH ACTORS IN DEVELOPMENT

(Agenda item 2(c))

1. The meeting of all actors in development, on preparations for which I have the pleasure to report to you today, is an offspring of my proposal to UNCTAD IX for the integration of the civil society into our work. As you will recall, the goal of my initiative was to provide a new institutional mechanism that would facilitate the engagement in UNCTAD's work of the more active elements of the emerging global civil society, specially the private sector, research centres, academia and non-governmental organizations. After intense discussions, UNCTAD IX agreed to test this idea by holding a first meeting with all actors in development. This meeting would be convened by me under my own responsibility.

2. Paragraph 119 of the "A Partnership for Growth and Development" states that "the Conference notes with appreciation the Secretary-General's initiative to hold a meeting with actors in development to advise him. This meeting should be financed from extrabudgetary resources. The Secretary-General is invited to inform the next regular session of the Board of preparations for this meeting and to report subsequently on its outcome".

3. The item was placed on the agenda of the forty-third session of the Trade and Development Board under the title "Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development". At its 881st meeting, on 18 October 1996, the Trade and Development Board, in the light of the oral report by the Chairman of Sessional Committee II and following approval by the Bureau of the Board, decided to postpone consideration of agenda item 7 (a) until the next regular session of the Board.

4. The fourteenth executive session of the Board, on 24 March 1997, in approving the provisional agenda of the fifteenth executive session of the Board, simultaneously with a provisional agenda for the forty-fourth session of the Board, decided to place my report on the preparations for a meeting with actors in development on the agenda of this executive session of the Board.

5. About a year after Midrand, the view that the closer involvement of the civil society should be a distinctive feature of the United Nations in the twenty-first century is no longer as novel as it was when I first made my proposal. I am happy to see that nowadays there is practically no international organization, not only in the United Nations system but also outside it, that is not actively seeking ways of integrating the civil society. What was new in December 1995 is becoming a common concern of international organizations now. I hardly need to remind you that, independently of my proposal, Mr. Kofi Annan has stated the importance that he attaches to this question in the context of his plans for the reform and revitalization of the United Nations.

6. This is therefore a challenge for the United Nations as a whole. The question of how to open the Organization to new constituencies, particularly in the economic and social sectors, has been with us for a long time. The main lesson that we should draw from the limited success of past efforts in this regard is that the legal, political and practical complexity of the issues involved makes it impossible to apply ready-made, generalized solutions. This must be a gradual, carefully thought-out process. It is against this background that my suggestions about mechanisms for the integration of the civil society in the work of UNCTAD should be seen as a modest but realistic contribution to a process of gradual reform that is only starting. As the Italian proverb says, *Chi va piano, va sano e va lontano*".

7. The questions that arise here affect the very essence of the United Nations as an international organization. The answers to these questions still need to mature, probably in the forum of the General Assembly and with the close involvement of the Secretary-General himself. With these arguments for caution in mind, we have decided to adjust my initial proposal in order to take into account all the understandable concerns of member States about its institutional impact, and we have come to a conclusion that I hope you will all share with us.

8. Our partnerships with the civil society would be based on the practical experience that we have gained through concrete projects between UNCTAD, Governments, the private sector and NGOs and that have produced practical results for development. This has been the reason why we have decided to call our initiative "Partners for Development". We intend to prepare a meeting of Partners for Development next year and I would like to share with you some ideas about how we intend to proceed.

9. The word "partnership" is now heard in many statements but, in general, the expression is still lacking in concrete content. We believe that we should give the expression "partners for development" a content of action. This is why our goal will be to make next year's meeting not a meeting about declarations or documents, but about concrete approval of partnership projects. So we do not intend to devote a single minute of our future meeting to the painful negotiation of a final text.

10. Our intention would be to have the results of the Partners for Development meeting fed into the process of preparation for UNCTAD X. Thus, we will be able to present to you real examples of the partnerships that can be established between UNCTAD and the civil society, their practical modalities and their results. This, I think, will be a much sounder base for any debate on the ways to make these partnerships a standard way of work in UNCTAD. They will also attest to the organization's capacity to focus on the demands of the people of developing countries and to mobilize minds, technology, political will and, why not, resources to meet them.

11. I expect two kinds of results from the meeting of Partners for Development. First of all, Partners for Development will be asked to think together about development. They should provide a framework where the private sector, research centres, academia, NGOs and the public sector can contribute to a better understanding of some development issues linked to trade and investment and to develop solutions that go beyond our traditional outputs.

12. The other component of the outcome that I expect from the Partners for Development meeting will be practical partnerships to act together for development. These partnerships will incorporate into UNCTAD's work the efficiency, the ideas and, hopefully, the resources (not only material, but also human resources) of some of the private actors whose trade, investment and technology decisions drive development today. These are resources that international institutions working for development have not tapped so far. While we will strive to reverse the current decreasing trend in traditional resources for development, I believe that we cannot afford to continue to ignore the formidable potential for development of the private sector. Its resources, together with the creative potential of other actors of civil society, will help us to devise and put into practice new means to promote development.

13. The theme of the Partners for Development meeting will be "Markets and development". I have chosen this theme because it encompasses all the messages and the questions that are central to UNCTAD's new approach to the fight against poverty and inequality, and of course it stresses the fact that we are going beyond the contribution of Governments; we are looking for the contribution of the people who make up the markets. The market economy is the framework of development today, and I do not have to explain all the reasons why it has moved to the centre of the stage.

14. Under this overarching theme, I will propose to Partners for Development two broad sets of topics, which will be called "Thinking together for development" (under which we will ask Partners for Development to engage in a collective reflection on issues in which we feel that the future of development would benefit from their intellectual contribution) and "Acting together for development", which will comprise a limited number of practical, action-oriented partnership projects.

15. Some of the topics that we will propose under "Thinking together for development" will relate to understanding how market mechanisms can be best adjusted in development strategies. For instance, we would deal with:

(a) Globalization, inequality and poverty. Investment and technology choices made by companies are shaping the global economy. We should look at this phenomenon from the perspective of efficiency, but we should also think about the fears of people regarding the consequences of changes and about how we can develop together some answers to the ethical, ecological and social issues related to trade and investment. How can business, NGO, Governments and UNCTAD work together to design market incentives that make social as well as business sense? We have several ideas in that direction that we would examine with our partners.

(b) A development-conscious society: Communication and development partners could examine the role of socially responsible media in economic development. How can the media, and even advertising, contribute to the creation of a global development-supportive environment. They could look at ways to enhance the access of developing countries to economic information as an input to truly global development, and in particular make proposals for new avenues for cooperation among the global media, communication firms and UNCTAD.

16. Under "Acting together for development", our intention would be to present a limited number of pilot practical partnership projects involving private enterprises, academia, NGOs and the public sector. We are building here from what already exists, that is we are starting from the concrete experience that has been accumulated in some specific areas. Through these partnership projects, we hope that new resources will become available for development. In selecting them, we have used three criteria: first, they should relate to programmes of work which enjoy the widest political support among member States; second, UNCTAD should have a comparative advantage in the analysis of the issues involved; and third, we should have detected enough interest among external players to ensure that in their implementation we will be able to rely on a network of external expertise.

17. The partnership projects proposed under "Acting together for development" will be grouped under different "threads". The following are some examples, but I am still considering a few additions and modifications:

(a) **Profit and development**: This topic will comprise threads such as:

- "Trade, development and biodiversity", in which our goal will be to create partnerships between enterprises from developed and developing countries, Governments and NGOs to foster bio-business and to promote bio-resource industries, thus enhancing the capacity of developing countries to benefit from increased participation in the market for biological-based resources.

- "Commodity finance and risk management", in which partnerships would be launched among producer associations, banks and other financial institutions and Governments in order to address this constraint faced by many developing countries by extending new financial engineering tools to commodities markets.

(b) **Private capital for micro-banks**. Under this item Partners for Development will address a major obstacle to enterprise development in the informal and micro-enterprise sectors. Partnerships will replicate the model developed by UNCTAD with the cooperation of the Government of Luxembourg and the International Bank of Luxembourg. They will involve international banks and asset managers, micro-finance institutions, and Governments in order to improve the conditions in which micro-finance institutions obtain resources in international capital markets. This will be done by launching investment funds that channel private investors' resources (which earn market rates of return) to micro-banks and non-profit organizations that finance micro and informal enterprises in developing countries. In this particular case, what is new in relation to the initiatives that have been launched by the World Bank and other institutions is that for the first time this initiative is being launched with a private bank and will lead to investment that does not come from public funds.

(c) **Creation of a worldwide network of academic institutions for trade- and investment-related training.** The partnership projects launched under this item will reinforce the effectiveness of national and international efforts in human capacity building in the area of international trade and investment by establishing new associations between UNCTAD and some leading academic and research institutions worldwide. They will cover issues related to the preparation and delivery of training programmes and formal courses on specific subjects such as commercial diplomacy, investment negotiations, technology, trade efficiency, etc., and the use of distance learning for human resource development. Last week I had a very interesting personal experience in this regard, when I participated in a video-conference organized by the Monterey Institute for Commercial Diplomacy in California, in collaboration with San Diego State University. This video-conference allowed the speakers to discuss issues of commercial diplomacy with an audience of 30,000 people in several developing countries. It is amazing how few resources are available for training in trade and investment negotiations, which is an extremely important issue for developing countries. I am convinced that the possibilities created by new technologies are almost boundless, and through these partnership projects we intend to exploit them to the fullest possible extent.

(d) **Intelligent trade: partnerships for electronic commerce.** This group of partnerships will build on the success of UNCTAD's Global Trade Point Network and will aim at reinforcing the capacity of developing countries' enterprises, and particularly those from LDCs, to join the emerging global electronic marketplace, which will undoubtedly become the major source of value and wealth in the next century. This will include partnerships for the creation of "trust communities" to promote secure electronic trade, alliances to combine the interests of large information technology companies and small- and medium sized enterprises, and capacity-building for electronic trade.

(e) **A follow-up to Africa Connect.** As you will remember, Africa Connect was held in parallel with UNCTAD IX to promote and facilitate new investment flows towards African countries. A follow-up on the outcome of this meeting is needed.

18. The particulars of the topics to be discussed at the Partners for Development meeting are open to some refinement, and one or two more may still be added, particularly in the field of enterprise development. I am, naturally, open to any comments or proposals that delegations may want to make to the secretariat through bilateral contacts. More details about the meeting, such as its day-by-day programme, a first indication of participants, etc., will be made available to you at the next High-Level Segment of the Trade and Development Board.

19. The Partners for Development meeting is planned for November 1998. Its duration will be four working days.

20. The city of Lyon, France, has expressed its interest in hosting this meeting. Conversations between the secretariat and the local authorities are progressing in a very productive manner, and we expect that we will be able to reach a mutually satisfactory understanding soon. The city of Lyon is prepared to make available its excellent conference facilities (the ones used for the 1996 G-7 meeting) and its historical *Mairie*.

21. I would also like to thank publicly the Mayor of Lyon, Mr. Raymond Barre, former Prime Minister of France, for his support for this initiative. Mr. Barre, who among other achievements has greatly contributed to the international prominence of the Davos conferences, which pioneered efforts to bring together the private sector and Governments, has expressed his personal willingness to contribute to the preparations for the meeting.

Annex III

REGIONAL SYMPOSIUM FOR AFRICA
INTERNATIONAL INVESTMENT ARRANGEMENTS:
THE DEVELOPMENT DIMENSION

Message from Fez

Participants thanked UNCTAD and the Government of Morocco for organizing and hosting the "Regional Symposium: Africa. International Investment Arrangements: The Development Dimension", Fez, 19-20 June 1997. The Symposium was attended by 51 representatives from 21 African countries and 17 observers from regional organizations, such as the Economic Commission for Africa, the African-American Islamic Institute and the Union du Maghreb Arabe, as well as the Government of Norway and the European Commission. The participants were grateful to the Government of Norway, the European Commission and the Government of Australia for their financial support for this event.

Participants noted that international discussions on investment are becoming more intense, as reflected in the deliberations of the Symposium, and concluded that countries need to be prepared to participate in them effectively in order to safeguard and advance their own interests. This includes a need that countries be aware of the whole range of issues involved, in order to be in the best possible position to define their own interest situations.

Participants also noted that, while there are several subregional investment arrangements in Africa, no continent-wide investment agreement exists, in the framework of which African countries deal with investment-agreements issues, analyse the issues involved in greater depth and identify their own interests. Compared to the countries of Asia, Latin America and the Caribbean and the OECD, Africa is at a disadvantage in this respect.

Participants noted, therefore, that events like this Symposium are of key importance for Africa and expressed their hope that another Symposium of this kind could be organized for Africa, examining in depth key issues relevant to international arrangements, and especially their development dimension. Such a Symposium would also profit greatly from the technical paper on key issues UNCTAD has begun to prepare.

In this context, it needs to be recognized that least developed countries need special attention and assistance in this area. Participants therefore encouraged UNCTAD to explore the possibility of holding a Symposium on these matters specifically for least developed countries.

Participants emphasized that UNCTAD's work and support in this area of international investment arrangements is of key importance for developing countries in general, and African nations in particular. They also welcomed the efforts to strengthen the cooperation of UNCTAD with regional organizations concerned with this issue.

Annex IV

STATEMENT BY THE UNCTAD SENIOR LEGAL ADVISOR ON NON-GOVERNMENTAL ORGANIZATIONS

(Agenda item 4 (b))

My comments relate to the note by the UNCTAD secretariat TD/B/EX(15)/3 and Corr.1 entitled "Non-governmental organizations participating in the work of UNCTAD". About 170 non-governmental organizations are entitled to participate in the activities of UNCTAD. The names of the organizations are given on pages 12 to 21 of the document.

The Trade and Development Board decides on applications for consultative status by NGOs in accordance with criteria set out in a decision adopted by the Board in 1968 in decision 43 (VII). The text of that decision is reprinted on pages 8 to 11 of the document. One of the criteria to be fulfilled is that an applicant non-governmental organization should be *international* in structure, which means that it should have members in more than one country.

For many years, the Economic and Social Council had the same rule. However, the Council decided in 1996 that in the future *national* non-governmental organizations should also be entitled to participate in the work of the Council and its subsidiary bodies.

The UNCTAD secretariat has proposed, in the note before you, that UNCTAD, following the lead of the Economic and Social Council, may wish to decide that national non-governmental organizations should also be entitled to participate in the work of all the bodies of UNCTAD. Such a decision will require an amendment of the rules, which are reprinted on pages 8 to 11 of the secretariat note. Those pages show clearly the two amendments to the rules which are being proposed for consideration by the Board.

I have a closing comment on the nature of the participation of non-governmental organizations in the work of UNCTAD. In accordance with the rules of procedure, the representatives of accepted organizations are entitled to participate as observers, without the right to vote, in the public meetings of the intergovernmental bodies. They may make oral or written statements on matters related to an item of the agenda on which they have a special competence or interest.

Annex V

ATTENDANCE */

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Afghanistan
Algeria
Australia
Austria
Bahrain
Bangladesh
Bolivia
Brazil
Bulgaria
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Czech Republic
Democratic People's Republic of Korea
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
France
Gabon
Georgia
Germany
Greece
Hungary
India
Indonesia
Iran (Islamic Republic of)
Ireland
Italy
Jamaica
Japan
Jordan
Kenya
Luxembourg
Madagascar
Malaysia
Malta
Mexico
Morocco
Myanmar
Nepal
Netherlands
Norway
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Russian Federation
Singapore
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Syrian Arab Republic
The Former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Zambia

---

*/ For list of participants, see TD/B/15(EX)/INF.2.

2. The following States members of UNCTAD, not members of the Board, were represented as observers at the session:

Brunei Darussalam
Kazakstan
Holy See

3. The International Trade Centre UNCTAD/WTO was represented at the session.

4. The following specialized agencies and related organization were represented at the session:

International Labour Organisation
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Inter-American Development Bank
Organization of the Islamic Conference
Organization of African Unity

6. The following non-governmental organizations were represented at the session:

General Category

International Chamber of Commerce
International Confederation of Free Trade Union
World Federation of United Nations Associations
World Savings Bank Institute
World Vision International

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/52/15 (Part II)
4 November 1997

ORIGINAL: ENGLISH

Fifty-second session

REPORT OF THE TRADE AND DEVELOPMENT BOARD*

Forty-fourth session

(13-23 October 1997)

* The present document is an advance version of the report of the Board on its forty-fourth session. It will be issued in final form in Official Records of the General Assembly, Fifty-second Session, Supplement No. 15 (A/52/15).

97-30245 (E) 071197 101197

CONTENTS

Page

INTRODUCTION 5

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA 6

A. **Segment for high-level participation: Globalization, competition, competitiveness and development** (agenda item 2) 6

B. **Interdependence and global economic issues from a trade and development perspective: Income distribution and growth in a global context** (agenda item 3) 6

Agreed conclusions 440 (XLIV) 6

C. **Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s** (agenda item 4) 8

(a) Policy reforms in agriculture and their implications for LDCs' development 8

Agreed conclusions 441 (XLIV) 8

(b) Contribution by the Board to the consideration of the General Assembly, at its fifty-second session, of holding a third United Nations Conference on the Least Developed Countries 10

Recommendation 442 (XLIV) 10

Summary by the Chairman of Sessional Committee I on agenda item 4 11

D. **UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Performance, prospects and policy issues** (agenda item 5) 14

Agreed conclusions 443 (XLIV) 14

CONTENTS (continued)

Page

E. Technical cooperation activities (agenda item 6) . . . 17

(a) Review of technical cooperation activities of UNCTAD 17

Decision 444 (XLIV) 17

(b) Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people 19

F. Other matters in the field of trade and development (agenda item 7) 20

(a) Specific actions related to the particular needs and problems of land-locked developing countries 20

(b) Progressive development of the law of international trade: thirtieth annual report of the United Nations Commission on International Trade Law 20

G. Other business (agenda item 9) 20

(a) Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the LDCs 20

(b) Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meetings 21

(c) Resolution of the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices 21

CONTENTS (continued)

Page

II. **PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS** 22

A. Opening of the session 22

B. Election of officers (agenda item 1 (a)) 22

C. Adoption of the agenda and organization of the work of the session (agenda item 1 (b)) 23

D. Adoption of the report on credentials (agenda item 1 (c)) 24

E. Provisional agenda for the forty-fifth session of the Board (agenda item 1 (d)) 24

F. Institutional, organizational, administrative and related matters (agenda item 8) 24

(a) Review of the calendar of meetings 24

(b) Administrative and financial implications of the actions of the Board 24

(c) Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings 24

G. Adoption of the report of the Board on its forty-fourth session (agenda item 10) 25

Annexes

I. Agenda for the forty-fourth session of the Trade and Development Board 26

II. Message from Mr. Kofi Annan, Secretary-General of the United Nations, to the joint session of the High-Level Segment of the Trade and Development Board and the Second Committee 28

III. Discussion in the Trade and Development Board under agenda item 6 (b): Report on UNCTAD's assistance to the Palestinian people 29

INTRODUCTION

The forty-fourth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 13 to 23 October 1997. In the course of the session, the Board held five plenary meetings - the 886th to 890th meetings.

This report to the United Nations General Assembly has been prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda (section I) and procedural, institutional, organizational and administrative matters (section II).

Volume II of the report of the Board on its forty-fourth session - to be issued subsequently in TD/B/44/19 (Vol.II) - will reflect all the statements made in the course of the session on the various items of the agenda.

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA

A. Segment for high-level participation: Globalization, competition, competitiveness and development

(Agenda item 2)

1. Under agenda item 2, the Trade and Development Board engaged in a high-level discussion on the topic "Globalization, competition, competitiveness and development", chaired by Mr. Jan Pronk, Minister for Development Cooperation of the Netherlands.

2. The high-level segment comprised two panel discussions, the first on "The perspective" and the second on "The future of competition: A prospective look at electronic commerce". The latter discussion was conducted jointly with the Second Committee of the General Assembly by teleconference.

3. At the high-level segment, and further to the Midrand Declaration (TD/378), the "Partners for Development" initiative was launched. The Deputy Mayor of Lyon, France, acting on behalf of the Mayor of Lyon, conveyed the offer of Lyon to host the first meeting of Partners for Development in November 1998. The Secretary-General of UNCTAD accepted the offer with thanks. A message was received from the Secretary-General of the United Nations (for the message see annex II).[2]

B. Interdependence and global economic issues from a trade and development perspective: Income distribution and growth in a global context

(Agenda item 3)

Agreed conclusions 440 (XLIV): Income distribution and growth in a global context

1. Recognizing that countries enter the global system from very different starting points and that the impact of globalization and liberalization is uneven, the Midrand Declaration stated that:

> "UNCTAD's policy research and analytical work must illuminate the changes in the global economy as they relate to trade, investment, technology, services and development. Such work must facilitate policy formulation within member States as they strive for development. It must lead to constructive policy dialogue among member States to enhance benefits of trade. It must respond to

---

[2] An account of the proceedings of the high-level segment will be published in the near future.

different and changing developmental needs in the ongoing process of integration in the global economy." (TD/378)

The Board expresses its appreciation for the research undertaken in this year's *Trade and Development Report* on "Globalization, Distribution and Growth", and urges the secretariat to continue to study aspects of globalization as part of its future work on interdependence, including both opportunities and challenges.

2. Despite growing prosperity, in today's globalizing world income gaps across and within countries over the past two decades have generally widened. This is a challenge for policy-makers everywhere.

3. Certain elements of globalization may have contributed to the tendency for income gaps to widen. Nevertheless, the forces behind widening income disparities are complex and their emergence in many cases may have preceded the recent acceleration of international economic integration.

4. There are social and political limits to growing inequality. If pushed too far, income disparities can provoke a backlash, generating instability and triggering populist policies and protectionist tendencies which nullify the economic gains of closer integration.

5. An effective response will have many dimensions. In the past, some countries severely restricted the role of markets and private property, with a consequent loss of dynamism resulting from this approach. A development strategy incorporating a faster pace of investment and growth holds the key to adequate job creation and rising living standards for all. Measures to achieve higher employment rates, fiscal stability and social objectives, including appropriate social safety nets, should complement policies that foster economic growth.

6. Markets by themselves do not create the full range of factors, *inter alia* skills and institutional capacities, needed to accelerate growth and to meet the challenges of competitiveness associated with globalization. Government policy has a crucial role to play in promoting economic growth and competitiveness and reconciling these with social objectives. This role is to complement and regulate rather than restrict market forces.

7. In an interdependent world, successful domestic policies require an enabling global environment. An increasing number of issues affecting growth and distribution are taken up in international negotiations. The regimes agreed in such negotiations need to reflect the different starting points and capacities of development partners, and should take into account the areas of particular interest to developing countries.

8. The movement in the direction of greater openness for developing economies should be an orderly process backed by effective policies at the international as well as the national level. These policies should entail a phased approach to integration tailored to the circumstances of individual countries.

9. Success in curbing inflation has helped to create conditions for sustainable growth. If this is to be achieved, policy needs to be oriented towards the avoidance of deflation as well as a resurgence of inflation. Otherwise, the adjustments to the dynamic competitive forces associated with

global integration and rapid technical change are much more difficult. Achieving higher and sustainable growth is a necessary condition for dealing with poverty in developing countries and labour market problems in industrial countries, and is also essential to the avoidance of threats to international trade and payments.

890th plenary meeting
22 October 1997

C. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

(Agenda item 4)

(a) Policy reforms in agriculture and their implications for LDCs' development

Agreed conclusions 441 (XLIV): Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s: Policy reforms in agriculture and their implications for development

1. The Board commended the UNCTAD secretariat for the high quality of *The Least Developed Countries 1997 Report* and its analysis of issues affecting LDCs. It welcomed the improvements in economic performance in many of the LDCs, particularly in Africa, which the *Report* attributed to the implementation of economic policy reforms, the sustainability of which will benefit from increased technical and financial support, as well as a conducive international environment.

2. The Board expressed concern at the continued decline in the overall share of ODA to LDCs and called for further efforts to reverse this trend with a view to fulfilling the ODA targets and commitments undertaken in the Programme of Action for the LDCs.

3. The Board also emphasized that the debt burden of LDCs, particularly those in Africa, remains exceptionally high and is a serious constraint on their development. Declining ODA and a heavy debt burden have had an adverse impact on the agricultural development of LDCs. In this regard, the Board welcomed the various debt relief initiatives, in particular the recent heavily indebted poor country (HIPC) initiative, and expressed the wish that, in the longer term, agreement be reached to allow the greatest number of LDCs to benefit from the HIPC initiative.

4. The Board commended LDCs that have undertaken policy reforms in their agricultural sector and encouraged them to accelerate such efforts. It observed that, in the short to medium term, improved agricultural performance offers many LDCs the most effective path to raise economic growth rates, expand and diversify exports, ensure food security and reduce poverty. The macroeconomic reforms already implemented in many LDCs have improved the environment for agriculture,

but the small-scale farmers who dominate the sector in most countries still face serious constraints with respect to raising productivity and output. The Board stressed that problems facing these producers and alleviating attendant supply-side constraints require sectoral and institutional policy reforms, such as building effective research and development institutions and agricultural extension services, improving rural infrastructure and credit, and developing more efficient markets in rural areas. These efforts will continue to be supplemented by international support measures. It noted that, if LDCs are to develop competitive agricultural sectors, policy design must take account of the need to promote investment and upgrade farm technology.

5. The Board highlighted the importance of human resource development and of developing the role of the private sector in improving the agricultural performance in LDCs.

6. In pursuance of what has been achieved under the Programme of Action, the Board stressed that improved market access is one of the key elements to improve the performance of the agricultural sector in LDCs, although it was noted that some existing market opportunities are not fully utilized by the LDCs. The Board emphasized the importance of strengthening the capacity of LDCs to export, including through vertical and horizontal diversification, in order to reap the potential benefit from the global market, particularly in the area of non-traditional exports. In line with the outcome of the Mid-term Global Review of the Programme of Action, South-South cooperation should be promoted to enhance regional and subregional trade by providing market access for LDCs in neighbouring countries. Developing countries should, *inter alia*, introduce preferential schemes for LDCs under the Global System of Trade Preferences among Developing Countries (GSTP).

7. The Board emphasized the importance of appropriate sequencing of agricultural liberalization measures. LDCs' exports could be further enhanced through the implementation of the Marrakesh Ministerial Decision on Measures in Favour of the LDCs. It noted that the Uruguay Round Agreement has opened up significant opportunities for an expansion of agricultural exports by LDCs through exemptions applicable to LDCs reinforced by the special and differential treatment measures which give considerable leeway to LDC Governments to support their agricultural producers. The Board took note of the strategy for agricultural development as it relates to trade outlined in the *LDC Report* and recommended that this issue be the subject of further consideration by UNCTAD. In particular, it recommended that the lessons deriving from the experiences of successful agricultural development, policies including those of LDCs, be widely shared by promoting, *inter alia*, South-South cooperation and the use of triangular arrangements. In this respect, the UNCTAD secretariat is invited to cooperate with other competent organizations active in the field of agricultural development.

8. The Board expressed its concern at the severe problems of regress afflicting a significant minority of LDCs. It noted the enormous costs of these problems, not just to the LDCs directly affected, but also to the economies of neighbouring countries. The Board urged the UNCTAD secretariat to continue its analysis of economic reconstruction of countries in regress.

9. The Board welcomed the convening of the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. It appreciated

the active commitment of the UNCTAD secretariat in the preparatory process and requests the UNCTAD secretariat to continue its contribution at the High-Level Meeting itself and in connection with the outcome and follow-up of the High-Level Meeting. In this connection, the Board welcomed the proposed establishment of an Integrated Framework for Trade-related Technical Assistance and hoped that measures in the area of market access for LDCs would be announced by a number of countries. Consistent with the universality of UNCTAD's membership, the Board requested the Secretary-General of UNCTAD to report to the next meeting of the Board on the High-Level Meeting and to seek approval of the Board on the role of UNCTAD and all its members in the implementation of measures to be adopted during the High-Level Meeting.

10. The Board noted with appreciation progress made in the formulation of integrated country programmes (ICPs) for strengthening supply capacity of exportable goods and services in a number of LDCs. It welcomed the generous contributions made to the LDC Trust Fund and urged member States to make further contributions to the Fund with a view to enabling the UNCTAD secretariat to implement ICPs in more LDCs.

890th plenary meeting
22 October 1997

(b) Contribution by the Board to the consideration of the General Assembly, at its fifty-second session, of holding a third United Nations Conference on the Least Developed Countries

Recommendation 442 (XLIV): Third United Nations Conference on LDCs: recommendation by the Board to the General Assembly

1. Without prejudice to any decision to be taken by the General Assembly, and pursuant to General Assembly resolutions 45/206 and 50/103 and to paragraph 140 of the Programme of Action for the Least Developed Countries for the 1990s (A/CONF.147/18), the Trade and Development Board recommends the following for the consideration by the fifty-second session of the General Assembly of the convening of a third United Nations Conference on LDCs, which would:

(a) Assess the results of the Programme of Action during the 1990s at the country level;

(b) Review implementation of international support measures, particularly in the areas of ODA, debt, investment and trade;

(c) Consider the formulation and adoption of appropriate national and international policies and measures for sustainable development of LDCs and their progressive integration into the world economy.

2. The Conference should take place at the end of the decade.

3. An intergovernmental preparatory committee would be convened in due time to prepare for the Conference. This would be preceded by three expert-level

preparatory meetings, two in Africa, one of which would include the Americas, and one in Asia and the Pacific.

4. UNCTAD would be designated as the focal point for the preparation of the Conference.

890th plenary meeting
22 October 1997

Summary by the Chairman of Sessional Committee I on agenda item 4 [**/]

1. Sessional Committee I of the forty-fourth session of the Trade and Development Board was established to discuss agenda item 4, "Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s".

2. The debates, in which many delegations took part, drew upon the *Least Developed Countries 1997 Report* (TD/B/44/6), which was introduced by the Secretary-General of UNCTAD and unanimously praised for its quality and relevance.

3. The discussions revealed a relative improvement in the situation of a great many LDCs in 1996. Growth had increased per capita income, notably in certain African LDCs, reversing a trend dating back to the beginning of the previous decade. That situation was attributed both to exogenous factors, such as the sustained prices commanded by some of the commodities which were still the LDCs' principal export earners, and to endogenous factors stemming from the reform policies being pursued by the LDCs in matters such as inflation, exchange rates and public finances. The regional environment had also continued to play an important role: Asian LDCs had benefited from the knock-on effects of the region's economic dynamism.

4. Encouraging though the situation appeared, all delegations believed there had been too little progress. The LDC delegations emphasized how vulnerable many of their countries remained to marginalization in the general economic move towards globalization. The LDCs' economic situation must continue to improve - and the LDCs should benefit from the probable persistence of the factors mentioned above - but this only highlighted the need for a favourable domestic and external environment. Among the topics raised in this connection were:

(a) The debt question. Many delegations noted with concern that the debt situation of the LDCs had continued to worsen, and that debt-servicing alone absorbed an excessive proportion of their still limited foreign-currency resources. Excessive indebtedness was described by the LDC delegations as a major handicap to their countries' development and efforts to reduce poverty. All delegations hailed the heavily indebted poor countries (HIPC) initiative by

---

[**/] The Board took note of the summary by the Chairman of Sessional Committee I at its 890th (closing) plenary meeting.

the International Monetary Fund and the World Bank. Many LDC and developing country delegations stressed that the eligibility criteria, conditionalities and timetable attached to the HIPC initiative must be flexibly, not rigidly, applied, so that a maximum number of LDCs could take advantage of it quickly. Developed country delegations pointed out that putting the HIPC initiative into effect would require a boost in the resources of the international financial institutions (which, it was emphasized, bore sole responsibility for the programme); one developed country delegation said it was ready to contribute;

(b) The decline in official development assistance (ODA) going to LDCs. Delegations representing LDCs stressed that the objective of the Programme of Action for the 1990s, namely 0.15 per cent of GNP devoted to ODA for LDCs, had not, bar a few exceptions, been attained by the ODA donor countries and that ODA had declined in real terms over the course of the year to 0.06 per cent of the donor countries' GNP. The LDC delegations felt that the decline was indicative of a lack of support within the international community for the LDCs' economic development and reform policies, especially as ODA had tended to be directed towards emergency humanitarian aid in preference to long-term development. One ODA donor country delegation reminded the meeting of the budgetary circumstances that made the target unattainable for the moment. Another developed ODA donor country delegation announced its Government's willingness to give priority to LDCs in its development assistance policy.

5. Generally speaking, the difficulty of securing concessionary financing was seen as a significant obstacle to improvements in export capacity and the pursuit of structural reform.

- Market access. The LDC delegations felt their countries still had too little access to world markets despite improvements in one area. They decried the maintenance of tariff barriers and the continuing threat of tariff increases, the erosion of preferential regimes, and the use made of anti-dumping measures and norms, voicing the hope that the LDCs might, within the generalized system of preferences, enjoy asymmetric, preferential treatment in areas such as food and farm produce, textiles, clothing and hides, and tropical industrial products. But it was also pointed out that the Uruguay Round agreements included a number of exemptions and instances of preferential treatment for LDCs which might enable them both to supply more to "niche" markets and to maintain their comparative advantage in traditional ones. The LDCs should actively seek to derive more advantage from the preferential arrangements adopted for their benefit. The delegation of one major importing country spoke of the lack of interest shown by LDCs in market-access arrangements that had recently been made available to them. A developed country delegation also commented that the LDCs had not always derived as much benefit as originally hoped from preferential market-access arrangements, while at the same time the erosion of such arrangements did not imply the immediate and total eviction of the LDCs from the markets concerned. Over the long term, the better solution would seem to be for the LDCs to become more competitive on world markets. Greater supply capacity was, in several delegations' judgement, essential for LDCs, and UNCTAD was asked to provide technical assistance for that purpose.

6. Several developed and developing country delegations announced their intention of making independent offers of market access to LDCs at the High-Level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held under WTO auspices. One delegation pointed out, however, that

market access was one of the two facets of the agenda for the meeting, the other being technical cooperation. Delegations unanimously congratulated the secretariat on its active involvement in preparations for the meeting concerned and hoped it would play an important part in the meeting itself and in the execution of the recommendations expected to result. Several delegations called for maximum consistency among the various international organizations with responsibilities in that area. One delegation voiced regret that UNCTAD member States had not been involved in the meeting, and said that proper discussion of questions relating to LDCs required all parties concerned to take part.

(a) Attracting foreign direct investment (FDI) and gaining access to technology. Several delegations emphasized that the most recent UNCTAD *World Investment Report* showed a notable increase in FDI flows to LDCs. Still, LDCs accounted for only a tiny minority of FDI flows to developing countries, and did not generally benefit from the virtuous circle linking export growth to greater FDI.

(b) The need was stressed for LDCs themselves - including those that had recently been experiencing serious political difficulties - to pursue reform and seek to derive maximum benefit from the facilities made available to them.

(c) The major role of institutional and economic stability. Many delegations, from LDCs and elsewhere, welcomed the emphasis placed in this year's report on LDCs on institutional, political and social regress. In many cases, internal and external conflict and population movements might have contributed to institutional and economic regress resulting in a farming crisis, destruction of infrastructure, and interruptions in educational, health and social services aggravated by land mines. It was pointed out that conflicts in one country often had deleterious effects on neighbouring countries and their economies. One LDC delegation stressed that the emergency food aid that the international community was induced to supply in order to alleviate the immediate effects of such crises could, over the longer term, adversely affect the agricultural development of the countries concerned. Delegations from LDCs that had recently suffered such regress said that the regress was not irreversible but that domestic and foreign peace did have to be restored, democratic institutions and the rule of law had to be put in place, and the international community had to lend its support. One developed country delegation felt that trimming military spending and preventing conflicts could help to roll back the danger of regress.

7. The statements and exchanges on agenda item 4 (a) revealed a consensus on the importance to all LDCs of the farming sector, which was their principal source of jobs, exports and income, and, by extension, on the cardinal importance of reforms in that area. The sector's obvious contribution to LDC food security was also emphasized, along with its interrelationship with social development, notably education and health.

8. Some LDC delegations described the difficulties their farming sectors were experiencing: rising domestic prices following the liberalization of the sector while international prices remained stable; outdated systems of land ownership; an inability to gain access to modern technologies and inputs; the paucity of funds made available to agriculture; and difficulties in gaining access to external markets, which they attributed to the erosion of preferential regimes granted by importing countries and economic and customs unions, the persistence of tariff barriers, subsidies in developed countries (the LDCs having abandoned

theirs), and health and quarantine standards. One developed country delegation was at pains to point out that such standards, which were not hidden barriers, were legitimate, and said that its Government helped LDCs to bring their farm produce into line with them. Developing country delegations pointed out that an export-oriented farm sector could lead to difficulties with domestic supplies. They also stressed the need for suitable infrastructure: the lack of, or serious deficiencies in, energy supplies, rail, road and telecommunications facilities gravely handicapped farm and other kinds of development in LDCs. Thus it was necessary to increase ODA to LDCs. LDCs should also work to reduce the tax burden on farmers, to modernize farm structures, to liberalize marketing networks and to strengthen agricultural support services, among them research and human resources training. One developed country delegation said that the four main thrusts of farm development in LDCs should be diversification, improved financing, technology acquisition and intensified research.

9. Several delegations from LDCs and elsewhere wished to see UNCTAD, which is responsible for monitoring the implementation of the Programme of Action for the Least Developed Countries for the 1990s, continue to play a major role in the international community's consideration of questions relating to LDCs by, among other things, forging a link between participation in international trade and development and providing LDCs with assistance in establishing themselves in the world economy. Delegations from both LDCs and developed countries hailed the secretariat's implementation of the first integrated country programmes and voiced the hope that the benefits of such programmes would soon extend to other LDCs. The LDC delegations expressed their satisfaction at the increase in contributions - now amounting to more than half the initial target set - to the trust fund for LDCs set up by UNCTAD in response to the conclusions of the ninth session of the Conference. Delegations from developed and developing countries announced pledges by their Governments to the fund. Several pointed out that, while LDCs had accounted for an increased proportion of UNCTAD technical cooperation in 1996, that proportion was nonetheless inadequate and UNCTAD still needed to tailor the technical assistance it offered to the specific needs of the LDCs. The delegation of one of the most advanced developing countries explained that its Government had set up a programme of bilateral cooperation for Portuguese-speaking LDCs.

D. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Performance, prospects and policy issues

(Agenda item 5)

Agreed conclusions 443 (XLIV): UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Performance, prospects and policy issues

1. The Board noted that, after over a decade of economic stagnation and regression, the recent performance in African economies gives rise to optimism. For the first time since the beginning of the 1980s, GDP growth rates have

exceeded population growth, albeit by a small margin. This is due, *inter alia*, to higher commodity prices and better weather conditions. The recent upturn in some African countries is underpinned by the continued and deepened implementation of economic reform programmes, as well as by reductions in political instability and civil unrest. However, most African countries remain fragile and subject to exogenous forces, including the fluctuations of prices for export commodities and weather conditions.

2. The specificity of African economies is that the continent suffers from acute problems related to infrastructure and has supply-side constraints which inhibit the capacity for growth and exports. This is true of the mainland as well as of island economies, especially the small and remote ones. African economies rely heavily on the export of commodities for their development, and vertical and horizontal diversification into non-traditional export sectors remains a major challenge. Factors impeding the expansion of trade for most African countries are, among others, small markets, the high costs of transactions and of transportation, and lack of sufficient communication links.

3. The integration of African economies into the world economy depends, *inter alia*, on how successfully gains from increased export revenues are utilized to strengthen potential growth. The Board emphasized the need for major investment in human and physical infrastructure and for African countries to mobilize sufficient savings and funding in order to invest. The resource requirements of Africa, including debt relief, ODA, investment and trade flows, should also be addressed.

4. A speedy and substantial reduction of the debt overhang problem is critical if the present upturn is to be followed by sustained economic growth and if Africa is to be successfully integrated into the world economy. Africa has the highest debt-to-exports ratio of any continent. This debt burden is unsustainable for most of the African countries concerned. In this regard, the Board welcomed the various debt relief initiatives, in particular the recent HIPC initiative, and expressed the wish that agreement be reached to allow the greatest number of African countries to benefit from the HIPC initiative. UNCTAD should closely monitor the relationship between debt and the capacity of African countries to generate savings to support investment. UNCTAD's technical support and advisory services for capacity-building in debt management for African countries should continue. UNCTAD should also continue to provide assistance to African countries in their preparations for negotiations in the context of the Paris Club.

5. Since many African countries' reliance on ODA is crucial, the Board noted with concern that the levels of ODA had fallen in real terms to their lowest level. This trend needs to be reversed. All donors are therefore invited to increase the level of ODA in accordance with internationally agreed targets. UNCTAD should continue to explore ways and means of increasing resources for development for Africa, in particular analysing how ODA could be used as a catalyst to attract other types of flows.

6. While Africa needs to attract foreign direct investment and many of the African countries have undertaken measures to improve laws and regulations governing FDI, a very small percentage of the total flow of FDI goes to Africa, mainly concentrating in the minerals and energy sector. It was recognized that macroeconomic stability is one of the prerequisites for building investor

confidence and attracting FDI. Ways and means should be considered of how investment can be encouraged in Africa. UNCTAD should continue to explore such ways and means, including issues related to intra- and inter-regional investment cooperation and exchange of investment experiences.

7. Incentives and investment are important to agricultural and industrial development. Agricultural development requires substantial investment for, *inter alia*, diversification, vertical integration and maintenance of infrastructure. This cannot be undertaken only by the private sector. A balance needs to be struck between food self-sufficiency, surplus extraction and income security for farmers if liberalization of the agricultural sector is to yield positive results. The bias against food crops needs to be avoided. UNCTAD should analyse further development and trade-related questions of investment and incentives in the agricultural sector.

8. The international community should continue to implement and make operational the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food Importing Developing Countries. The Committee recognized that many African countries had taken unilateral measures towards trade liberalization. The degree, pace and sequencing of trade liberalization would need to be adapted to the development conditions of each country, bearing in mind its impact on national capacity-building. The value of trade preferences will inevitably decline as trade liberalization continues, and it will be necessary to develop policies to address the actual and potential losses that will be incurred.

9. Structural adjustment programmes require predictability and need to be tailored to the individual needs and the level of development of countries. Frequent interruptions of programmes can erode investor confidence. UNCTAD commends efforts to make structural adjustment programmes more sensitive to these concerns.

10. The Board recognized the importance of an enabling environment and appropriate policies to encourage the creation of a dynamic entrepreneurial sector, which needs to be complemented by the strengthening of the capacities of public institutions.

11. Regional and subregional integration could create larger and more competitive economic spaces, which would help achieve economies of scale, increase trade and economic cooperation among African countries and between African countries and others, and attract foreign investment. In this context, UNCTAD should continue to support economic integration in Africa.

12. The Board welcomed the various initiatives taken by the international community in connection with Africa, including the United Nations System-wide Special Initiative on Africa, the Global Coalition for Africa, the G-8 Declaration on Africa ("Partnership for Development") at the Denver Summit, the United States initiative, and the Second Tokyo International Conference on African Development to be hosted by the Government of Japan. The Board noted the intention of the member States of the Lomé Convention to negotiate, as of September 1998, a new EU/ACP framework agreement. It looked forward to the successful implementation of the above initiatives in cooperation with the beneficiary countries.

13. UNCTAD is requested to integrate into its analysis in the context of the work programme of its Commissions and expert meetings the specificities of the African dimension. In addition, the secretariat is requested to analyse further the opportunities and impediments for growth and development in Africa, the means to ensure the sustainability of growth, and the requirements for the emergence of a dynamic business sector.

14. UNCTAD is invited to cooperate closely with other relevant international organizations in the implementation of the above conclusions.

15. The Secretary-General of UNCTAD is invited to report to an executive session of the Board on activities undertaken by UNCTAD in favour of Africa.

890th plenary meeting
22 October 1997

E. Technical cooperation activities

(Agenda item 6)

(a) Review of technical cooperation activities of UNCTAD

At its 888th plenary meeting, on 17 October 1997, the Trade and Development Board endorsed the agreed conclusions of the Working Party on the Medium-Term Plan and the Programme Budget (TD/B/WP/L.79) and adopted the draft decision recommended by the Working Party therein. (For the text of the decision, see below.)

Decision 444 (XLIV): Review of technical cooperation activities of UNCTAD

The Trade and Development Board,

1. Takes notes of the report on technical cooperation activities of UNCTAD and their financing and the complementary statistical information submitted by the secretariat (TD/B/44/11 and Add.1 and 2);

2. Notes with encouragement the increase in the level of UNCTAD's technical cooperation expenditure in 1996 and that projected for 1997;

3. Reaffirms the principle that technical cooperation should be non-conditional and that it should be demand-driven;

4. Expresses its appreciation to bilateral and multilateral donors for their contributions to UNCTAD's technical cooperation programmes, and appeals to them to extend their contributions in line with UNCTAD's Technical Cooperation Strategy and plan;

5. Requests the secretariat to explore ways and means of increasing the predictability of funding for the technical cooperation programme of UNCTAD;

6. Encourages the secretariat to continue its efforts to deepen its cooperation with the United Nations Development Programme (UNDP) with a view, *inter alia*, to increasing the level of funding and other support from UNDP for UNCTAD programmes;

7. Takes note of the proposals of the secretariat on the question of partial cost recovery with a view to contributing to the financial self-sustainability of selected programmes, and requests the secretariat to report on the legal implications of those proposals and to provide the thirty-second session of the Working Party on technical cooperation with details of alternative cost-recovery options which might be applied, as well as the possibility of special arrangements for least developed countries (LDCs);

8. Notes the fact that the Working Party agreed on the need for greater transparency in respect of activities funded from the regular budget and those funded from extrabudgetary resources;

9. Notes the progress made by UNCTAD in its cooperation with other organizations, and requests the secretariat to pursue its efforts to intensify such cooperation, including with the World Intellectual Property Organization (WIPO);

10. Encourages the secretariat to continue to deepen its cooperation with the International Trade Centre (ITC) with a view, *inter alia*, to better coordinating technical cooperation in several areas, including support for small and medium-sized enterprises (SMEs);

11. Requests the secretariat to prepare, in consultation with member States, a handbook whose objective would be to assist possible beneficiaries of UNCTAD's technical cooperation;

12. Requests the secretariat, in consultation with member States, to explore new modalities which would ensure a better relative balance in the share of technical cooperation expenditure of the various regions, taking into account their respective needs;

13. Decides that there should be an in-depth evaluation of the Global Trade Point Network at the thirty-second session of the Working Party in 1998 dealing with technical cooperation;

14. Requests the secretariat to prepare the rolling three-year technical cooperation plan for 1998-2000 for consideration by the Working Party at the second part of its thirtieth session in December 1997 and thereafter by the Trade and Development Board at its first executive session in 1998, with a view to rationalizing the technical cooperation plan;

15. Requests the Secretary-General of UNCTAD to include, in his next report on technical cooperation through the Working Party on the Medium-Term Plan and the Programme Budget to the Trade and Development Board, information on:

- The implementation of the UNCTAD Technical Cooperation Strategy;

- The implementation of technical cooperation programmes in line with the areas of activity established in paragraph 97 of "A Partnership for Growth and Development" to enable the Working Party to contribute to the mid-term review by the Trade and Development Board of the outcome of UNCTAD IX;

- The cost-effectiveness of the technical cooperation activities of UNCTAD; and

- The establishment of quality control and standards at the project design, implementation, monitoring and evaluation stages.

888th plenary meeting
17 October 1997

(b) Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people

At its 888th plenary meeting, on 17 October 1997, the Trade and Development Board took note of the secretariat's report on UNCTAD's assistance to the Palestinian people (TD/B/44/10). (Further to the provisions of General Assembly resolution 47/445, an account of the discussion in the Trade and Development Board under agenda item 6 (b) is annexed to the present report (see annex III).

F. Other matters in the field of trade and development

(Agenda item 7)

(a) Specific actions related to the particular needs and problems of land-locked countries

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board took note of report of the Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions (TD/B/44/7 - TD/B/LDC/AC.1/11), endorsed the conclusions and recommendations contained in annex I of the report, and decided to submit the conclusions and recommendations, together with the "Progress report by the UNCTAD secretariat" (TD/B/44/9), to the General Assembly at its current session.[***]

(b) Progressive development of the law of international trade: thirtieth annual report of the United Nations Commission on International Trade Law

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board took note of the report of UNCITRAL on the work of its thirtieth session and agreed to the proposals made by the Senior Legal Adviser, according to which:

(a) The head of the UNCITRAL secretariat would be invited to present the annual report of UNCITRAL to the Board in 1998 and to provide delegations with any information that they might require on the work of UNCITRAL;

(b) UNCITRAL would be invited to participate in the second session of the Commission on Enterprise, Business Facilitation and Development, to be held in Geneva from 1 to 5 December 1997;

(c) The UNCTAD secretariat would invite UNCITRAL to participate in the symposium on Partners for Development, which the Secretary-General of UNCTAD would convene in Lyon from 9 to 12 November 1998;

(d) The UNCTAD secretariat should monitor those projects of UNCITRAL that were relevant to the ongoing work of UNCTAD and inform the Board and its subsidiary bodies in that respect.

G. Other business

(Agenda item 9)

(a) Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the LDCs

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board endorsed the recommendations contained in annex I of the report of the Pilot Seminar (TD/B/SEM.2/3).

[***] See A/52/329.

(b) Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meeting

At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board decided to approve the convening of the four meetings stipulated in document TD/B/44/L.2/Rev.1, as follows:

(i) Examination and review of existing regional and multilateral investment agreements and their development dimensions in pursuance of the mandate of paragraph 89(b) of "A Partnership for Growth and Development";

(ii) Environmental accounting: examination of national standards and regulations for environmental financial accounting, and identification of key environmental performance indicators and their relation to financial performance (Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting);

(iii) Competition law and policy (Intergovernmental Group of Experts on Restrictive Business Practices); [****]

(iv) The growth of domestic capital markets, particularly in developing countries, and its relationship with foreign portfolio investment.

The President drew the attention of the Board to the fact that, for 1998, the Commission on Investment, Technology and Related Financial Issues would have four meetings at the expert level out of the annual total of 10 expert meetings approved by the Conference at its ninth session. This meant that the other two Commissions could convene up to three expert meetings each in 1998.

(c) Resolution of the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices

With reference to paragraphs 14 and 15 of the resolution adopted by the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, at its 890th meeting, on 22 October 1997, the Board reached consensus on the fact that the name of the Intergovernmental Group of Experts on Restrictive Business Practices should be changed to Intergovernmental Group of Experts on Competition Law and Policy. With regard to the question of a fourth Conference, agreement was reached, with the exception of one delegation which reserved its position, that a fourth Conference should be convened in the year 2000.

On that basis, the Trade and Development Board requested the General Assembly to take note of the resolution adopted by the Third Conference and to endorse its recommendations. In this connection, the Board requested the

[****] The specific topic for this meeting will be recommended in November 1997.

General Assembly to take action on paragraph 15 of the resolution as it deems appropriate.

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The forty-fourth session of the Trade and Development Board was opened on 13 October 1997 by Mr. Patrick Sinyinza (Zambia), the outgoing President of the Board.

B. Election of officers *****/

(Agenda item 1 (a))

2. At its 886th (opening) plenary meeting, on 13 October 1997, the Board elected by acclamation Mr. Goce Petreski (former Yugoslav Republic of Macedonia) as President of the Board for the duration of its forty-fourth session.

3. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board throughout its forty-fourth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President:	Mr. Goce Petreski	(former Yugoslav Republic of Macedonia)
Vice-Presidents:	Mrs. Anne Anderson	(Ireland)
	Mr. Michael Ray Arietti	(United States of America)
	Mr. Dhumahdass Baichoo	(Mauritius)
	Mr. Nacer Benjelloun-Touimi	(Morocco)
	Mrs. Eveline Herfkens	(Netherlands)
	Mr. Anthony Hill	(Jamaica)
	Mr. Gilberto Saboia	(Brazil)
	Mr. Vasili Sidorov	(Russian Federation)
	Mr. Bjorn Skogmo	(Norway)
	Mr. Bozorgmehr Ziaran	(Islamic Republic of Iran)
Rapporteur:	Mr. Sek Wannamethee	(Thailand)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

*****/ The officers of the Bureau are elected to serve for a year-long period beginning with the forty-fourth session of the Board.

C. Adoption of the agenda and organization of the work of the session

(Agenda item 1 (b))

5. At its opening meeting, the Board adopted the annotated provisional agenda for the session contained in TD/B/44/1, as amended by the President. (For the agenda as adopted, see annex I below).

6. At the same meeting, and in accordance with the organization of work for the session in TD/B/44/1, the Board established two sessional committees to consider and report on items on its agenda, as follows:

Sessional Committee I:

Item 4: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

(a) Policy reforms in agriculture and their implications for LDCs' development;

(b) Contribution by the Board to the consideration of the General Assembly at its fifty-second session of holding a third United Nations Conference on the Least Developed Countries

Sessional Committee II:

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Performance, prospects and policy issues

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairman:	Mr. Daniel Bernard	(France)
Vice-Chairman-cum-Rapporteur:	Mr. Shambhu Ram Simkhada	(Nepal)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairperson:	Mrs. Agnes Yahan Aggrey-Orleans	(Ghana)
Vice-Chairman-cum-Rapporteur:	Mr. Rénald Clérismé	(Haiti)

D. Adoption of the report on credentials

(Agenda item 1 (c))

9. At its 890th (closing) plenary meeting, on 22 October 1997, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-fourth session (TD/B/44/18).

E. Provisional agenda for the forty-fifth session of the Board

(Agenda item 1 (d))

10. At the same meeting, the Board, taking account of the fact that its forty-fifth session would deal mainly with the high-level mid-term review, authorized the President, in consultation with the Secretary-General of UNCTAD, to draw up a draft provisional agenda in the course of the year. The draft provisional agenda would be presented to the Bureau and thereafter to an executive session of the Board in the first quarter of 1998.

F. Institutional, organizational, administrative and related matters

(Agenda item 8)

(a) Review of the calendar of meetings

11. At the same meeting, the Board approved the calendar of meetings as contained in TD/B/44/CRP.1, on the understanding that the issue would be revisited at the next monthly consultations.

(b) Administrative and financial implications of the actions of the Board

12. At the same meeting, the Board was informed that there were no financial implications stemming from any decision taken at the forty-fourth session of the Board.

(c) Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings

13. At its 889th plenary meeting, on 21 October 1997, the Trade and Development Board took note of the "Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings" (TD/B/44/CRP.2) and requested the Secretary-General of UNCTAD

to continue his efforts in this endeavour and to make a further progress report on this subject to the seventeenth executive session of the Board in 1998.

G. Adoption of the report on its forty-fourth session

(Agenda item 10)

14. At its 890th (closing) plenary meeting, on 22 October 1997, the Board took note of the reports of Sessional Committee I (TD/B/44/SC.1/L.1 and Add.1) and Sessional Committee II (TD/B/44/SC.2/L.1) and decided to incorporate them in the final report of the Board on its forty-third session.

15. At the same meeting, the Board adopted the draft report on its forty-fourth session (TD/B/44/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Annex I

AGENDA FOR THE FORTY-FOURTH SESSION OF THE TRADE AND DEVELOPMENT BOARD */

1. Procedural matters:

   (a) Election of officers

   (b) Adoption of the agenda and organization of the work of the session

   (c) Adoption of the report on credentials

   (d) Provisional agenda for the forty-fifth session of the Board

2. Segment for high-level participation: Globalization, competition, competitiveness and development

3. Interdependence and global economic issues from a trade and development perspective: Income distribution and growth in a global context

4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

   (a) Policy reforms in agriculture and their implications for LDCs' development

   (b) Contribution by the Board to the consideration of the General Assembly, at its fifty-second session, of holding a third United Nations Conference on the Least Developed Countries

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: Performance, prospects and policy issues

6. Technical cooperation activities:

   (a) Review of technical cooperation activities of UNCTAD

   (b) Consideration of other relevant reports: Report on UNCTAD's assistance to the Palestinian people

7. Other matters in the field of trade and development:

   (a) Specific actions related to the particular needs and problems of land-locked developing countries

---

*/ As adopted at the 886th plenary meeting of the Trade and Development Board on 13 October 1997.

(b) Progressive development of the law of international trade: thirtieth annual report of the United Nations Commission on International Trade Law

8. Institutional, organizational, administrative and related matters:

(a) Review of the calendar of meetings

(b) Administrative and financial implications of the actions of the Board

(c) Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings

9. Other business

(a) Report of the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the LDCs

(b) Commission on Investment, Technology and Related Financial Issues, second session: recommendations of the Commission regarding the convening of expert meetings

10. Adoption of the report of the Board.

Annex II

MESSAGE FROM MR. KOFI ANNAN, SECRETARY-GENERAL OF THE UNITED NATIONS, TO THE JOINT SESSION OF THE HIGH-LEVEL SEGMENT OF THE TRADE AND DEVELOPMENT BOARD AND THE SECOND COMMITTEE

Geneva and New York, 23 October 1997

I am pleased to convey a message to the first ever joint session of the High-Level Segment of UNCTAD's Trade and Development Board and the Second Committee of the General Assembly and to participate in the official launch of the "Partners for Development" initiative. This is a most worthy undertaking, fully compatible not only with the overall thrust of our work for development and peace but also with the reform process that is now modernizing the United Nations family of organizations.

I would like to salute my colleague, UNCTAD's Secretary-General, Mr. Rubens Ricupero, for his commitment and contributions. I would also like to thank the Government of France, and particularly Mayor Raymond Barre of Lyon, for their support and for the invitation to host the meeting in Lyon next year to assess progress.

"Partners for Development" is both bold and realistic. Bold in that it will involve civil society, especially non-governmental organizations and the private sector, even more deeply in the work of the United Nations. This by itself is welcome, but it will also help fulfil another of my main objectives, namely strengthening the Organization's efforts in the area of economic and social development. And it is realistic in that it focuses on concrete partnerships and practical solutions.

As we all know, traditional United Nations resources for development are not increasing. This initiative will tap the human, technological and financial resources which have been beyond the United Nations' reach and which in today's world have become far greater than official development assistance. Its importance in this regard cannot be exaggerated.

Those who will participate in these partnership projects have chosen to work with the United Nations because of the contributions it is uniquely placed to make. The Organization's universal and impartial perspective, its multicultural approach and its highly professional and dedicated staff are a formidable combination. "Partners for Development" offers yet another venue for the United Nations to demonstrate that it provides real value for money.

I pledge my full support to this initiative and very much look forward to working with you. Please accept my best wishes for success.

Annex III

DISCUSSION IN THE TRADE AND DEVELOPMENT BOARD UNDER AGENDA ITEM 6 (b): REPORT ON UNCTAD'S ASSISTANCE TO THE PALESTINIAN PEOPLE ****/**

1. For its consideration of this subitem, the Board had before it the following documentation:

"Report on UNCTAD's assistance to the Palestinian people" (TD/B/44/10).

2. The **Officer-in-charge of the Special Economic Unit** said that the thrust of UNCTAD's work in this area had focused upon operational activities, in tune with the changing needs of the Palestinian people and in line with the new opportunities created by the Middle East peace process. The secretariat's Programme of Technical Cooperation Activities in Support of Palestinian Trade, Finance and Related Services had been endorsed by the Palestinian Authority (PA), and UNCTAD's efforts represented a concrete response to requests of the PA for technical assistance, in a manner that emphasized synergies between UNCTAD's analytical and operational competencies.

3. The report before the Board reviewed recent orientations in UNCTAD's work on this issue, in the light of the critical economic situation in the Palestinian territory and the persistent need for international assistance. Political and security considerations continued to have a strong impact on Palestinian legal, regulatory, institutional and human resource development, despite the promises of the Israel-Palestine peace accords. Coupled with the uncertainty surrounding future political arrangements, this had prolonged economic hardship and uncertainty. Such a situation could, at best, reduce public confidence in the economic dividend widely expected from the peace process and, at worst, promote stagnation and deprivation that could undermine the peace process.

3. The vulnerability of the Palestinian economy to the changing fortunes of the peace process had reinforced a host of structural weaknesses arising from prolonged neglect and isolation. Recent trade performance indicated a precarious external trade position, and there were a number of problem areas where international support, including technical cooperation, was urgently required.

4. An increasingly participatory approach to technical cooperation had become necessary to enable the United Nations to respond positively to General Assembly resolutions on assistance to the Palestinian people and the requests of the Palestinian Authority in priority areas. Of the 10 projects detailed in the report, the secretariat had to date been able to successfully implement one, commenced the implementation of a second, and had just been informed of approval for funding of a third. For the three funded projects, UNDP had allocated more than $400,000.

5. The orientation of UNCTAD's future assistance to the Palestinian people would be guided by the provisions of UNCTAD's subprogramme 9.1 in the

---

******/ For the action taken on this item, see section I.E (b) above.

United Nations Medium-Term Plan for the period 1998-2001. The secretariat would continue to seek the active support of various sources of extrabudgetary funding, as well as the guidance of the Board.

6. The representative of **Palestine** expressed his satisfaction at the reinstatement of the item on assistance to the Palestinian people in the agenda of the Board and thanked the Special Economic Unit for its unique efforts in providing different forms of assistance in support of Palestinian development efforts. He was pleased to convey the affirmation of the Secretary-General of UNCTAD that the work of the UNCTAD secretariat, in particular the Special Economic Unit, for assistance to the Palestinian people would continue with the same vitality as before. This would necessitate in particular the appointment of a new Chief of the Unit so as to maintain the momentum of work and efforts to mobilize extrabudgetary funding. The approach to technical cooperation adopted by the secretariat in connection with the Palestinian people set an example for other organizations.

7. The report before the Board summarized the main features of the critical, deteriorating Palestinian economic situation, and confirmed the difficulties facing Palestine today in its efforts to lay the basis of a modern national economy. In particular, he noted the destructive economic impact of Israeli measures since 1996 on the livelihood of workers, agricultural output and trade, investment and industrial activity. Most recently, Israeli measures had halted the orderly transfer of customs and other tax receipts owed to the Palestinian Authority, as stipulated by the accords between the two parties. While insisting on the mutual respect of economic accords between Palestine and Israel, he also called for mutual respect for the interests and aspirations of the Israeli and Palestinian peoples. Palestine had not signed its accords with Israel to become an appendage or agent, as some might imagine. Palestine had chosen the strategic option of peace with Israel for a better future for its people in their independent state on their national soil, with Jerusalem as its capital. It was high time for Israel and other hesitant countries to explicitly recognize the inevitability of the exercise of the right of the Palestinian people to self-determination.

8. UNCTAD must continue its valuable research on Palestinian economic prospects, while intensifying its activities in the field of technical cooperation. The secretariat's project proposals reflected important priority areas for the Palestinian economy, and he welcomed the efforts by the secretariat to mobilize the necessary funding for them. He called upon the members of the Board, and especially members of the Consultative Group of donors, to make the necessary resources available for their rapid implementation. In concluding, he emphasized the continuing historic responsibility of the United Nations, including UNCTAD, in respect of the Palestinian issue until the peace process succeeded and Palestine could take its place as a full member of the Board and other international agencies.

9. The spokesman for the **Asian Group and China** (Sri Lanka) said that since the establishment of the Special Economic Unit in 1985, UNCTAD had become a prominent and reliable source of information and analysis on the Palestinian economy. The orientation of the secretariat's work had developed in line with the new circumstances and the growing needs of the Palestinian people.

10. The establishment of the Palestinian National Authority had been a welcome development that had created new opportunities for the emergent Palestinian economy, which, however, was still vulnerable and at risk from the threats to the peace process. The stagnation in Palestinian economic activity and the sharp decline in Palestinian external trade over the past few years posed serious questions as to the economic benefits that the Palestinian people could expect from a peace process which had yet to bear its full fruits. He stressed the continuing responsibility of the United Nations in respect of the question of Palestine in general and the economic and social plight of the Palestinian people in particular.

11. The setbacks and problems experienced in the recent period had created new challenges for the Palestinian Authority in planning and managing the development of the economy. This had created new responsibilities for UNCTAD in terms of intensifying and widening the scope of its assistance. He praised the integrated manner in which the secretariat had drawn upon its analytical and operational capacities to provide concrete proposals for technical assistance to the Palestinian people. The success in mobilizing resources from UNDP attested to their seriousness and relevance.

12. He hoped that all concerned members of UNCTAD would give serious consideration to helping in mobilizing the required support for technical assistance activities, which would deliver cost-effective and much-needed assistance to the Palestinian people. With further progress in the peace process, it was expected that UNCTAD's role in this area would grow.

13. The representative of **Pakistan** said that the review of the policy environment affecting the Palestinian economy made for very sombre reading. The hopes raised by the peace process were far from being realized, with a further deterioration in the already disheartening economic indicators. The stagnation in income, the growing poverty and the growing unemployment posed critical challenges for the performance of the economy. The dialectic between peace and development was perhaps particularly evident in the case of Palestine. He noted the efforts of the Palestinian Authority to strengthen regulatory and institutional frameworks in order to improve the environment for investment in trade, but given the extremely difficult political and security environment, the economic situation of the Palestinian people remained a matter of great concern.

14. As provided for in subprogramme 9.1 of the United Nations medium-term plan for 1998-2001, UNCTAD should continue to assist the Palestinian people to develop capacities for effective policy-making and management pertaining to international trade investment and related services. This gave UNCTAD a fair amount of scope, and he urged the secretariat to formulate programmes which adhered to two basic principles: first of all, all programmes should be demand-driven, especially since, when state structures were weak, with limited managerial capacities, there was a tendency for well organized international secretariats to sell their programmes, something that should not happen. Secondly, the question of coordination with the large number of agencies operating in the field in Palestine became of paramount importance. Finally, he questioned the factors behind the gap referred to in the report between the total pledges by the international community to assist the Palestinian Authority and the actual disbursements.

15. The spokesperson for the **African Group** (Tunisia) expressed full support for UNCTAD's assistance to the Palestinian people. She congratulated the UNCTAD secretariat for going beyond the stage of analytical work to the stage of operational activities, as well as for its consultation with the Palestinian Authority for the elaboration and implementation of assistance programmes. Nevertheless, she could not understand how the necessary funds for the establishment of the two Palestinian Trade Points could not be mobilized given the popularity of the Trade Point network with the donor community. With the addition of a private sector role, funds should be easily available. She called on UNCTAD to pursue its fund-raising efforts in this regard more vigorously.

16. UNCTAD was required to take into consideration the daily changes in the situation in Palestine in updating its programmes, so as to respond in the best possible manner to the specific needs of the Palestinian Authority. The latter was well advanced in associating the private sector in all programmes under way. She noted the lack of funding for a certain number of approved pending programmes, and she called upon the donor community to respect their engagements towards the Palestinian Authority so that UNCTAD and other agencies could implement the appropriate programmes.

17. The representative of **Morocco** expressed his delegation's satisfaction with the implementation of the programme of technical cooperation in favour of the Palestinian people. However, the degradation in the economic and social indicators for the Palestinian territory were such that the Palestinian people required the technical assistance of UNCTAD more than ever before. The stagnation of trade, the trade deficit and problems in the labour market and in living conditions in general were all factors which mitigated in favour of intensified technical support for the Palestinian people.

18. In accordance with the priorities already established and the relevant General Assembly resolutions, UNCTAD must strengthen and improve its technical cooperation in favour of the Palestinian people. He noted with great satisfaction that the Unit in charge of technical assistance to the Palestinian people had been maintained. It was hoped that donors would be able to augment their financial support so that the programmes indicated in the secretariat report could be implemented in full.

19. The representative of **Egypt** expressed appreciation for the transformation of the work of the Special Economic Unit from the mainly analytical realm to operational activities which drew upon the analytical work. He called upon the secretariat, as well as States and organizations, to redouble their efforts to make available the necessary resources to implement the seven pending unfunded projects mentioned by the secretariat, so as to assist the Palestinian people in building their economy. In this respect, it would be useful to know what factors had delayed the disbursement of funds pledged by different countries to assist the Palestinian people. In conclusion, he urged the States concerned to expedite the delivery of funds according to existing pledges.

20. The **Officer-in-charge of the Special Economic Unit** reaffirmed that the secretariat would redouble its efforts to mobilize the necessary resources for the implementation of pending technical cooperation projects. As for the low rate of aid disbursement, he cited four factors. Initially, there had been some delays on the part of the donors themselves in the actual mobilization and

allocation of the resources pledged early on in the peace process. Subsequently, the institutional capacity of the Palestinian Authority to manage a substantial programme of assistance had also become a factor. Thirdly, with the deterioration of the economic situation since 1996, a large portion of potential development funds pledged by donors had been diverted to current expenditures of the Palestinian Authority and various relief programmes for unemployed workers. A fourth factor had been the issue of coordination between donors, recipients and the various agencies involved. This last problem appeared to have been resolved, and henceforth there would be one integrated Palestinian Development Plan presented to donors which would combine World Bank, United Nations and bilateral and other projects within a comprehensive framework.